FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 246 *20 December 1984*

INTER-AMERICA AFFAIRS

River Plate Basin Foreign Ministers Continue Meeting A 1
Greater Integration Urged [TELAM] A 1
'Deadlock' on Bolivian Sea Outlet [EFE] A 2
Organization To Be Evaluated [EFE] A 3
Colombia's Betancur Addresses Andean Parliament [Bogota] A 3
CPPS Protests French Nuclear Tests on Muroroa Atoll [AFP] A 5
Democratic Congressmen's Conference Begins [TELAM] A 6

ARGENTINA

Alfonsin Discusses Foreign Debt, Economy B 1
[Belgrade POLITIKA 7 Dec]
Politicians React to Alfonsin Anniversary Speech B 3
[BUENOS AIRES HERALD 19 Dec]
Caputo on Italy, France, Algeria, U.S. Trip B 4
[LA NACION 17 Dec]
Economy Minister Reports on Debt Talks B 5
[BUENOS AIRES HERALD 19 Dec]
CGT To Demand Emergency Salary Increase B 5
Grinspun Remarks B 5
Borras Reportedly Accepts Council Resignations B 6
Defense Secretary Denies Acceptance B 6
Army Officers Volunteer To Extend Work Hours B 6
Court Asked To Nullify Justicialist Congress B 7
Justicialist Party Dismisses Corach as Trustee B 7
Ubaldini on Peronist Congress, Party Unity B 8
Justicialist Deputy on 'Gang' Within Peronism B 8
Christian Democrats React to Radical Decision B 9
[BUENOS AIRES HERALD 17 Dec]
Provincial Parties Hold Meeting in San Juan B 9
[BUENOS AIRES HERALD 17 Dec]

BOLIVIA

More Ministers Reportedly Resign From Cabinet C 1
Transportation Minister's Statement C 1
Foreign Minister's Remarks C 1
MNR Condemns Attempts To Obstruct Elections C 1
Request for Election Law Reconsideration Rejected C 2
MIR-Masas Faction Says Government 'Nullified' Democracy C 2

BRAZIL

New IMF Letter Outlines 'Extremely Hard' Goals D 1
[O GLOBO 13 Dec]
Neves' Economic Team Draws Up Guidelines D 1
PDS Seeks Reactivation of Party Unity D 2
[O GLOBO 18 Dec]
Maluf Supporters Appointed to PDS Board D 2

CHILE

Reports on Explosions, Journalist's Kidnapping E 1
Bombings in Santiago, Other Cities E 1
Attacks in Vina del Mar E 1
Minister Cuadra's Remarks E 1
FPMR 'Responsibility' for Abduction E 3
'Harsh Measures' Studied E 3
Exiles Turned Back at Argentine Border E 4
Del Valle on Talks With Bolivia, Asian Tour E 4
Collados Announces Decrease in Customs Duties E 4
Lagos Regrets Matthei's Reply to AD Proposal E 5
China Buys $30 Million Worth of Copper E 5

COLOMBIA

Ministry Denies Death of Defense Minister F 1
M-19 Mines Areas Around Camps for Defense F 1
General Vega Urges M-19 Rebels To Stop Fighting F 2
M-19 Seeks Mediation of Mexico, Spain, Church F 2
Briefs: Oil Exploitation F 3

ECUADOR

Industry Minister on Withdrawal From Andean Group G 1

PERU

Envoy to UN Denies Border Dispute With Ecuador J 1
Senate President on Shining Path Expansion J 1

URUGUAY

Accord Reached With Paraguay on Airline Flights K 1
More Political Prisoners To Be Released 'Soon' K 1
Unions Recover Headquarters After 11 Years K 1
Colorado Party Secretary General Appointed K 1

MEXICO

De la Madrid Congratulates Belize's Esquivel M 1
De la Madrid Foresees Economic Recovery in 1985 M 1
Labastida on U.S., Canada, Saudi Arabia, Kuwait Tour M 1

CENTRAL AMERICA

COSTA RICA

PVP Leaders Condemn 'Betrayal' by Other Leftists P 1
[LA REPUBLICA 5 Dec]
PVP Declaration P 1
[LIBERTAD REVOLUCIONARIA 7-13 Dec]
Briefs: Trade With Central America; Coffee Rust P 2
Outbreaks; Swedish Aid for Refugees

EL SALVADOR

Government Issues Communique on FMLN-FDR Talks P 3
Duarte Explains Partial Veto of Electoral Law P 4
Opposition on Partial Veto P 5
Catholic Movement Message to Leftist Priests P 6
[EL DIARIO DE HOY 17 Dec]
FMLN on U.S. Efforts To Corrupt Labor Movement P 8
[Radio Venceremos]

GUATEMALA

Finance Minister Reports on New IMF, IBRD Loans P 10
Foreign Minister on Belizean Issue, Elections P 12
[PRENSA LIBRE 18 Dec]

HONDURAS

Economy Secretary on Trade Impasse With Guatemala P 13
Briefs: Increase in Government Revenues P 13

NICARAGUA

LA PRENSA Files Suit Protesting Censorship P 13
Auxiliary Bishop Criticizes Liberation Theology P 14
[LA PRENSA 16 Dec]
Business Said To Join Anti-Sandinist Effort P 15

CUBA

Castro, Hart Attend Close of Film Festival Q 1
UN's Perez de Cuellar Meets Vice Minister Alarcon Q 1
Zambian Delegation Arrives on Official Visit Q 1
Ministers Discuss Namibia Q 1
Commentary Views U.S. Presence in Honduras Q 1
PRELA Correspondent on Cardenal, Miskito Talks Q 2
FDR's Ungo Speaks on U.S. Policies in El Salvador Q 3
Expatriots Organize To Help Anti-Sandinists Q 3
CTC Leader Veiga on Economic Profitability Q 4
Garcia Frias Calls For Fewer Traffic Accidents Q 4
January-November Statistics Q 4

DOMINICAN REPUBLIC

Blanco Discusses IMF Accord on Debt Payment R 1
[LISTIN DIARIO 12 Dec]
Archbishop's Comments R 1
Majluta Comments on 1986 General Elections R 1
[LISTIN DIARIO 12 Dec]

CARIBBEAN

CTRC Issues Report on Regional Tourism S 1

BARBADOS

Higher 1984 Sugar Exports, Earnings Reported S 2

JAMAICA

Jamaican Dollar Falls After 20 Percent Recovery S 2
Spaulding Links Crime, Violence to Cuba S 3
[THE DAILY GLEANER 13 Dec]

OTHER COUNTRIES

GUYANA

Guymine Reports Increase in Bauxite Exports V 1

PANAMA

Editorial Praises Shultz Remarks to Cardoze [CRITICA 19 Dec] V 1

RIVER PLATE BASIN FOREIGN MINISTERS CONTINUE MEETING

Greater Integration Urged

PY190226 Buenos Aires TELAM in Spanish 2048 GMT 18 Dec 84

[Text] Punta del Este, 18 Dec (TELAM-ANSA-LATIN REUTER) -- The five foreign ministers of the River Plate Basin countries today agreed on the need to revitalize this subregional organization and discussed possible concrete mechanisms that will help achieve this, according to unofficial spokesmen for the 15th meeting of the River Plate Basin foreign ministers.

Agreement was reached during a closed door session in which Foreign Ministers Dante Caputo (Argentina), Gustavo Fernandez Saavedra (Bolivia), Ramiro Saraiva Guerreiro (Brazil), Carlos Saldivar (Paraguay), and Carlos Maeso (Uruguay) participated. This session was held during the second day of the meeting.

This private meeting was followed by an open plenum in which the Argentine, Bolivian, and Brazilian ministers expounded their respective viewpoints on what could be achieved during the course of the meeting.

The subregional organization was created in 1967 and it is unanimously agreed among its members that the ambitious plans that were outlined when the organization was created have not been sufficiently advanced over the years.

During the plenary session, the Argentine foreign minister referred to three points: the need to maintain the organization; to reduce the bureaucracy of international organizations; and to demonstrate the political will of the basin's member countries.

"If the five countries that are meeting here demonstrate a real political will, this meeting can be one of the most important steps on the path toward integration, and we will have removed the most important obstacle: our own contrdictions," Caputo stated.

In his speech, the Bolivian foreign minister reiterated his country's well-known position favoring an outlet to the Pacific Ocean, which he termed an urgent matter. He also mentioned the possibility of using an outlet to the Atlantic Ocean through the river system.

Brazilian Foreign Minister Ramiro Saraiva Guerreiro indicated that his government firmly supports the implementation of the River Plate Basin treaty, because it offers a large framework of possibilities for the development of multilateral cooperation within the sphere of the Intergovernmental Coordinating Committee (CIC), which has its seat in Buenos Aires and which is made up of the ambassadors of the five member countries.

In statements to the press after the meeting, Caputo stressed that our countries, which are not military or economic powers and which seek to have an independent policy, need very strong, practical, and concrete mechanisms that will function. He added that the River Plate Basin organization, as an expression of a subregional integration process, does not just simply reflect a desire, but is something that is strictly necessary.

The meeting, which began on 17 December, will close on 19 December once the final document has been approved with a speech by Uruguayan Foreign Minister Carlos Maeso, in his role as chairman of the meeting.

'Deadlock' on Bolivian Sea Outlet

PY191728 Madrid EFE in Spanish 0119 GMT 19 Dec 84

[By Alberto Pepe Leira]

[Text] Punta del Este, 18 Dec (EFE) -- Bolivian hopes for an outlet to the Atlantic through a river route today suffered a blow when the River Plate Financial Committee refused to fund the feasibility studies for port facilities at Puerto Busch and for a ferryboat system for river transportation. As a result of the financial committee's decision, the Bolivian request on the use of the River Plate Basin rivers was passed on to the foreign ministers conference.

The Paraguayan refusal to negotiate the use of the rivers within the general framework of the River Plate system has deadlocked the 15th conference, which is being held in Punta del Este.

After intense negotiations, the foreign ministers are still trying to find a formula that will satisfy Bolivians and Paraguayans. As a result, the final declaration of the conference will be released 1 day late.

Bolivian Foreign Minister Gustavo Fernandez Saavedra today insistently demanded that the River Plate Basin nations attain physical integration through the unrestricted use of river and land routes, so that the natural, human, and financial resources of the area may be mobilized.

The Bolivian position conflicts with the Paraguayan stance. Paraguay has asked that the agreements on the access to the sea and on the use of the basin rivers be negotiated bilaterally and not within a general context.

In a critical remark, Argentine Foreign Minister Dante Caputo pointed to the organization's failure to reach an agreement on the unrestricted use of the rivers and on the integration of all countries, thus directly recognizing that Bolivia is in the right. Caputo said that since the people of the Americas and of the basin have been able to undertake major projects, and since we have shown that we have this ability, I do not see why we cannot achieve integration.

We know, Caputo said, that the majority of the projects have been built under bilateral or, at most, trilateral agreements. However, he went on, we still fail to see the River Plate Basin organization as the regional integration organ, and this attitude has given rise to a major issue, the lack of political will.

According to Caputo, an organization without political will is like a dead body, because it may have its conferences, resolutions, and permanent headquarters, but it will not be able to break with the current trends and overcome inertia and perhaps it will make the situation even worse.

Caputo's concern was confirmed hours later when the working committees could not reach a unanimous consensus, as the called for in the River Plate Basin treaty, to grant the Bolivian request for the unrestricted use of rivers.

Since the Bolivian request for an outlet to the Atlantic has been passed on the foreign ministers conference, the foreign ministers of the five River Plate Basin countries will have to directly negotiate an eventual agreement on the subject. This has been a second blow for Bolivia.

Meanwhile, Paraguayan Foreign Minister Carlos Augusto Saldivar was holding urgent consultations on making some concessions in view of the Bolivian request. In the meantime, the final resolutions of the River Plata Basin conference still remain unknown.

Organization To Be Evaluated

PY192039 Madrid EFE in Spanish 1451 GMT 19 Dec 84

[Text] Punta del Este, Uruguay, 19 Dec (EFE) -- The foreign ministers of the River Plate Basin today decided to call an extraordinary meeting of special representatives for no later than 30 April 1985 in order to analyze and evaluate the political and institutional situation of the organization. This is due to the serious difficulties that the River Plate Basin is currently facing and to the inoperativeness of the mechanisms that are needed to achieve the objectives that are contained in the treaty signed in 1969 in Brasilia.

The special representatives must draft a report and outline concrete measures in order to definitively make the system effective. Once this task has been completed the foreign ministers will meet within the next 30 days to evaluate and finally implement the plans that will be outlined.

The Punta del Este meeting of foreign ministers has decided that during this period the countries will hold bilateral talks and consultations to give impetus to the River Plate Basin system. This latter resolution is an attempt to find a solution to the problem that has emerged between Bolivia and Paraguay over the former's outlet to the sea through the Atlantic Ocean.

COLOMBIA'S BETANCUR ADDRESSES ANDEAN PARLIAMENT

PA182140 Bogota Domestic Service in Spanish 1730 GMT 17 Dec 84

["Excerpts" of speech by Colombian President Belisario Betancur to Andean Parliament in Bogota; date not given -- recorded]

[Excerpts] It is a source of satisfaction for Colombia that the Andean Parliament has selected our country to hold this second round of special sessions commemorating its fifth anniversary. The Andean Parliament thus returns to the place where it was installed and where it held its first sessions in 1980, only a few months after the signing of the treaty that created it.

Progress in the process of integration necessitates periodic adjustments of its mechanisms. They must be oiled. To the degree that countries change, priorities are changed and the needs of integration undergo changes. However, the fundamental purpose, is not changed; it remains alive despite the transformations that have taken place in the Andean nations since the signing of the Mandate of Cartagena in 1979. The same cannot be said of instruments designed to suit other situations.

That is why early this year the Andean countries opened negotiations on a protocol to amend the Mandate of Cartagena in order to complement and consolidate it. The truth is that over the last 2 years, the model embodied in the Mandate of Cartagena has dozed off, to use a [word indistinct] verb.

Regional trade, which grew constantly for several years, turning us into senior partners in many industrial activities, has slowed down as Dr Mazuera Gomez, president of the Chamber of Representatives, has just stated.

Columbia's case has been dramatic. Venezuela reached the point where it became the second largest buyer of our products after the United States, but we have lost most of these sales, with serious harm to the industries and the areas in which they were located, as a consequence of sovereign actions that were undoubtedly understandable from the Venezuelan standpoint. We must make a great effort, particularly in this area, to restore subregional trade. Andean protectionism is harming all of us.

Because of pressures from national markets, we devised so-called industrial programming, for example, as a means to help us make progress in the process of industrialization by creating [word indistinct] to take advantage of the [word indistinct] economies, allowing us to have surpluses for third countries. However, facts demonstrate the contrary.

Programs were approved for such complex sectors as the automotive and petrochemical sectors. When we began to implement the programs, we encountered almost insurmountable obstacles, such as the lack of national capital to execute them, difficulties of foreign investors, little respect for allocations, and changes in technological conditions at a worldwide level, (?in view of which) we adopted a resolute, categorical attitude toward foreign captial.

Decision No 24 was approved and here, likewise, harsh reality has demonstrated that times and circumstances demand changes. Foreign capital and technology find attractive conditions in many places on our planet. So, while we devised a complex set of regulations for foreign investments, other countries, like the Asian countries, granted them all sorts of facilities, becoming our serious competitors on the leading world markets without losing or abdicating their respective sovereignty. What is most stunning is that they have made progress with their process of industrialization in areas in which we tried unsuccessfully to establish programs, such as electronics.

Allow me, honorable parliamentarians, to say few words, which are perhpas a reiteration of a crucial issue -- Latin America's foreign debt -- which Senator (Monteagudo) and Dr Mazuera Gomez have just mentioned and which may be approaching $400 billion at this moment.

This means that despite the rescheduling and refinancing agreements, our subcontinent will have to devote approximately 50 percent of its total foreign exchange earnings over the next 5 years to the servicing of the foreign debt. Two fundamental questions arise within this context. First, has an in-depth solution to Latin America's indebtedness problem been found already? Second, what role will regional integration play in this process? Obviously, these are complex questions that I cannot totally answer now. However, I want to advance some opinions in this regard in order to prompt you to reflect on this matter.

With regard to whether an in-depth solution has already been found to the problem of Latin America's indebtedness, I think it would be interesting to refer to a recent study by Lawrence Klein, who won a Nobel Prize in economics, and a Mexican economist that was published by Mexico's foreign trade magazine in one of its latest issues. Klein uses the world economic model of the University of Pennsylvania [words indistinct] and anticipates that there will be a recessionary change in the U.S. economy in 1986. He finds this projection worrisome because many analysts are beginning to see a trend toward growth in the exports of the developing countries as a result of the worldwide revitalization.

Obviously, the developing countries are not in a position to finance the fiscal deficits and the growth of highly industrialized countries. For this reason the foreign and finance ministers of the leading Latin American countries explained in the Cartagena Consensus that a limit must be set on the rate of servicing the debt, as Senator (Monteagudo) has just cleverly stated.

It is difficult to establish an a priori limit for all countries. In some countries it may not exceed 25 percent. In other countries, which are more dynamic exporters, it may perhaps be 30-35 percent. What is abolutely clear is that the internal production process stagnates and even decreases if this rate exceeds a given limit. A developing country that is exporting capital finds itself forced to curtail its investment programs and to neglect the importation of goods that are essential to its own economic growth. These growth rates have become negative in many countries and this implies essential drops in the economic well-being of large segments of their population. Furthermore, in view of the rapid growth of the labor force in almost all of our countries, unemployment has been becoming worse and in a very disturbing manner.

Returning to Professor Klein's study, he concludes that in view of the outlook for the world economy, an in-depth solution to the problem of the developing countries' indebtedness does not seem to have been found. The reschedulings have postponed the problem, but have not resolved it definitively. That is why at the end of his article he suggests that an overall multilateral agreement may be required. This agreement should include support from the governments of the industrialized countries to strengthen the international private banks and the multilateral credit bodies. We want to see strong financing bodies and dynamic developing countries.

I would like to move on to the second question that I raised at this [word indistinct], that is, the question of the role of regional integration in the process of searching for solutions to the problem of Latin America's foreign debt. I do not think that we will find a total solution to this problem here, but I do feel that integration -- about which I am obssessed, as I said at the beginning -- can provide partial relief and make a positive contribution. This contribution would be made through the expansion of the existing payment and reciprocal credit systems for Latin American trade.

At the same time, if we manage to adopt some degree of preference for the Latin American market, we could move on with an efficient program of substituting exports at a regional level. By applying this type of mechanism, we can save increasing amounts of hard currency and thus ease the chronic scarcity of foreign exchange in our region.

Finally, integration must continue at the level of the implementation of the points agreed to in the Cartagena Consensus and reiterated at Mar del Plata. We must continue exchanging experiences and proposing constructive formulas to avoid an economic collapse in our countries and a collapse of the international financial system.

CPPS PROTESTS FRENCH NUCLEAR TESTS ON MURUROA ATOLL

PA182324 Paris AFP in Spanish 2146 GMT 18 Dec 84

[Text] Quito, 18 Dec (AFP) -- The South Pacific Permanent Commission (CPPS), made up of Colombia, Chile, Ecuador, and Peru, "strongly" protested today to the French Government over another nuclear explosion carried out by that country in the Mururoa Atoll. This was the fifth such explosion between May and December.

The protest note was delivered by the CPPS secretary general, headquartered in Quito, to French Charge d'Affaires Dominique Le Louarn, representing French Ambassador Michel Perrin who is currently on vacation.

In its 3-point note, the CPPS "expresses its opposition to the explosions, strongly protests such actions, and demands their immediate discontinuation."

The note adds that the explosions, "which began in May, greatly endanger the maritime environment and its natural resources and seriously harm the interests of the member-states of the southeast Pacific maritime system."

The note also recalls that foreign ministers of the four CPPS member countries signed a declaration last February at the Chilean resort of Vina del Mar reaffirming "their governments' opposition to the nuclear explosions."

According to diplomatic sources, the French Embassy in Quito will transmit the protest note to the French Ministry of External Relations in Paris.

DEMOCRATIC CONGRESSMEN'S CONFERENCE BEGINS

PY191321 Buenos Aires TELAM in Spanish 0044 GMT 19 Dec 84

[Text] Buenos Aires, 18 Dec (TELAM) -- The second Hispanic-American democratic congressmen's conference today opened at the Argentine Congress building to discuss various matters, including the foreign debt of the southern countries and the struggle against terrorism and drug trafficking.

The conference was opened at the Chamber of Deputies this afternoon with the participation of congressional representatives from Argentina, El Salvador, Spain, Honduras, Peru, the Dominican Republic, Venezuela, Mexico, Panama, Paraguay, and Bolivia.

The opening speech was delivered by Argentine Vice President Victor Martinez. During the session, Radical Deputy Reynado Vanossi lectured on constitutional law and the structure of Argentine congressional institutions.

At noon the visiting delegations were feted by President Raul Alfonsin with a luncheon at the Olivos residence.

The conference will close tomorrow and at a press conference scheduled for 1930 the legislators will report on the conclusions of the session.

Buenos Aires DYN in Spanish at 2033 GMT on 18 December reports that "the following legislators were in attendance at the conference: the presidents of the Peruvian Senate and Chamber of Deputies, Manuel Ulloa and Elias Mendoza, respectively; the presidents of the Chambers of Deputies of Venezuela, Leonardo Ferrer; of the Dominican Republic, Hugo Dipp; of Panama, Gustavo Nelson Collado; of El Salvador, Maria Castillo; of Honduras, Efrain Bu Giron, and of Ecuador, Raul Baca Carbo; Vice President of the Spanish Chamber of Deputies Leopoldo Torres Baorsault; and Mexican legislator Gonzalo Martinez Carbala."

ALFONSIN DISCUSSES FOREIGN DEBT, ECONOMY

AU181447 Belgrade POLITIKA in Serbo-Croatian 7 Dec 84 pp 1-2

[Report on interview with President Raul Alfonsin by correspondent Djuka Julius in Buenos Aires; date not given]

[Text] Buenos Aires, 6 Dec -- "The most important success in this first year undoubtedly is the return of democracy and freedom, the reestablishment of lawful rule, with all that this means for the dignity of man," Argentine President Raul Alfonsin said in a special interview with POLITIKA, having in mind that on 10 December it will be 1 year since he entered Government House and assumed the highest duty which Argentines can entrust to one of their fellow citizens. "I am convinced that democracy in Argentina has been consolidated, and I say that without any doubt," the first citizen of Argentina adds, stressing that "the trials I am facing at the moment are not in the political but in the economic sphere."

President Alfonsin, who is just preparing the address to the prairie nation on the occasion of the first anniversary of his administration, received us in his spacious office with an old-fashioned high ceiling, the blue-and-white Argentine flag, the presidential working desk, and the gilded presidential Louis XIV armchair with the Argentine cost of arms engraved on it. The Argentine president captivates his audience with his relaxed manner as well as with his concise and clear answers. One would even say that Raul Alfonsin is brief in his answers, which is rare among Latin American politicians. Like a true statesman, he thinks through what he is going to say to a journalist.

"You know that we are going through a grave economic crisis with a large foreign debt, with economic troubles. I would say that it is most important that we have managed to establish the rules which will govern the game from now on, through restructuring the foreign debt, on which we have just agreed with the IMF and the creditor banks. The only thing left is the last stage with the Paris Club, which will end in January. Although it is true that we will have to pay high interest on the debts, through all this we will at least know what policy to follow, that is, we will be able to more precisely establish the medium-term plan, so that we will know where we stand on all economic subjects," Raul Alfonsin points out.

"We have worked intensively on the agreement with the IMF, and we have certainly paid a price for that. It would have been more favorable had we been able to reach an agreement earlier. However, postponing the agreement has made possible acceptance of terms attuned to our economic situation. Basically, we have managed to avoid accepting anything that would make the burden of overcoming the crisis fall on the shoulders of the working people," the Argentine president adds.

"We have to grow, to develop, this is the foundation of our economic policy. We are fighting inflation to the extent that we are able, striving to reduce all current state expenditures. This year, we have reduced the budget deficit, which reached 15.8 percent of the gross national product last December, to only slightly over 8 percent. This is a spectacular reduction, which we, of course, managed to achieve by reducing state investments. I think that next year we will be able to reduce the budget deficit further, maybe to 5.5 percent of the gross national product, and that we will at the same time manage to increase investments to a level that, although not optimum, will reach about 8 percent of the gross national product, that is, somewhat about $5.5 billion. And we will reduce inflation to 300 percent, maybe even below that," Raul Alfonsin said.

The conversation with the Argentine president shows to what extent he is concerned with and occupied by economic subjects, with what knowledge and thoroughness he speaks about it, and how important it is in the present time for a statesman to be concerned about and knowledgeable of this. Alfonsin most certainly pays attention to the international conditions and situation, that is, to cooperation with Latin American and other developing countries.

"We here in Latin America have striven to coordinate our efforts in the negotiations on restructuring the foreign debt, that is, we have tried to harmonize our economic policies. It was not done out of a desire to behave aggressively, or to form a debtors club, but in order to coordinate our policies, which serves us not only in the financial field for negotiations on debts, but also for the economic development of our countries and the entire continent. However, we must try to prevent further economic discrimination against the South by the North, especially regarding foreign trade. We also have to define very clearly our path and model of economic development, we have to diversify our international trade, as well as stimulate and advance South-South cooperation. Since in all this we have failed to undertake some measures that we could have undertaken, in a way we ourselves are to blame for everything that has been happening to us," Raul Alfonsin emphasizes.

"I think that it is necessary to create a new international economic order. This is essential. In this respect, we support everything that is being done within the Group of 77 and UNCTAD, because we need a more just and equitable world economic order, so that the conditions of international cooperation will not further deterioriate to the detriment of developing countries, and so that our products will be able to reach more easily the developed nations' markets. This is especially important to us considering the size of our foreign debt which demands additional efforts from all of us in earning foreign exchange necessary for the fulfillment of our international financial obligations," Alfonsin concludes.

Stressing his concern over the aggravation of the international political situation, and above all the accelerated armament of the superpowers, Alfonsin recalls a joint statement on the need for urgent negotiations on disarmament, primarily nuclear disarmament, that he signed together with the leaders of Mexico, Sweden, India, Greece, and Tanzania. He warns that the arms race is not merely an ideological issue, that there exists a real danger of holocaust possibly as a result of human error, and therefore he thinks that through negotiations one should first remove that greatest threat to peace, the "disastrous epilogue." At the same time, the Argentine president warns of the growing dangers to peace in Central America and points out that Argentina extends full support to the efforts of the Contadora Group whose suggestions are "a sober basis for pacification and cooperation in this crisis-ridden region of the world."

"We belong to the Nonaligned Movement and will continue to be active in it. We are ready for cooperation in everything that this framework makes possible, in all aspects, political and economic. That is to say, Argentina is nonalignedly nonaligned," Raul Alfonsin says, wanting by this wordplay to express Argentina's faithfulness to the original principles and orientations of the Nonaligned Movement and policy.

The conversations returns to Argentine domestic conditions. We ask President Alfonsin how he explains the period of political realignment, as he sometimes describes the new political movement he is leading.

"I think that a recompense for the years we have been going through should be proffered by a political movement that would, on the basis of respect for man, work with full force for the creation of a new Argentina, instead of this one whose development has been retarded, and to its joining the modern world in the proper manner, all this with a view to putting an end to the half century of decadence we have just gone through. I think that we can leave the discussions on the refined questions of the ideology of each party for later and walk together one part of the road that is lying before us. "This can be fruitful to the extent that it is understood that we must create and put forward the common denominators of that movement, so that we will finally become the country we can and want to be," Raul Alfonsin says, and adds that "most Argentines realize that the president of the country, as an institution, belongs to all of them, which is evidence of democratic maturity and of the majority's readiness for democratic coexistence."

"I would like to relations between Yugoslavia and Argentina to be more and more significant, more and more fruitful, in order to enable a greater economic and cultural exchange, in conformity with what is, after all, a traditional friendship between our peoples. You know that there are many Yugoslavs living in Argentina who have enriched our society, so it would be good, if only because of them, if we could further advance and develop our relations. Within the framework of our general effort, we will do everything possible to considerably develop economic cooperation with Yugoslavia as well," Argentine President Raul Alfonsin stated in concluding this special interview for POLITIKA.

[The following paragraphs are published in boldface and appear boxed within the body of the item:]

"Argentines are against any violence," the Argentine president said when we asked him why the heads of the military regime and urban guerrilla leaders, the terrorist Montoneros, are being put on trial, and added that it has been left to the courts to assess their guilt and pronounce sentences.

"For years I have admired Tito's exceptional courage, his sense for the national which never excluded a universal concept. I have also admired him for founding the Nonaligned Movement which could be, if its aims were realized, a guarantee of international univeral peace," Raul Alfonsin said.

POLITICIANS REACT TO ALFONSIN ANNIVERSARY SPEECH

PY191835 Buenos Aires BUENOS AIRES HERALD in English 19 Dec 84 p 11

[Text] (NA) -- Political leaders yesterday criticized President Raul Alfonsin for what they believed was a lack of concrete proposals and his failure to announce an economic plan in keeping with Argentina's current crisis in his Monday night speech to mark the first anniversary of his inauguration. Salta Governor Roberto Romero, a Justicialist, said the speech had a paternal tone which should always be used in addressing the nation but the overall situation was still one of good intentions without anything concrete. "A real democracy cannot be built on a weak economy; what is needed are proper wages, a strong infrastructure, and no foreign interference," he said.

Chaco Justicialist Senator Deolindo Bittel said Alfonsin "seemed very optimistic in his speech, but is unrealistic about the country's economic and social problems."

Movement for Integration and Development (MID) leader Rogelio Frigerio said the speech was another expression of good intentions which abounded in generalizations and the listing of objectives without concrete means to achieve them. Frigerio said he was astonished at Alfonsin's claim that real wages had improved "as in actual fact, they have deteriorated considerably."

Carlos Zaffore, another MID leader, said the president concealed the true national situation and claimed the international agreements hindered the economy even more. "Behind the rhetoric admitting that errors have been made, there was no alternative plan to correct them," he said.

Christian Democratic leader Salvador Busacca described the speech as an "ethical political sermon accompanied by some socioeconomic definitions but leaving unanswered the serious and urgent problems afflicting the country." Busacca said the nation was anxiously waiting for the president to give an account of the successes and errors of his first year in office and to outline a concrete plan for 1985 to overcome the current situation.

Luis Zamora, chairman of the Movement to Socialism (MAS), said the speech was not serious because it was based on the premise there would be no sacrifices to pay the foreign debt. Federal party chairman Francisco Manrique said the speech was a dramatic statement of reality but was lacking in concrete sincerity and the defining of a socioeconomic orientation.

CAPUTO ON ITALY, FRANCE, ALGERIA, U.S. TRIP

PY190046 Buenos Aires LA NACION in Spanish 17 Dec 84 p 11

[Text] Argentine Foreign Minister Dante Caputo yesterday said that the statements he made during an interview granted to British television created "an impression on British sectors," and he "believes there are some sectors that are considering the increasing importance of the need to negotiate" with Argentina. Caputo, who will today travel to the 15th meeting of the River Plate Basin foreign ministers in Punta del Este, made these statements at Ezeiza International Airport soon after arriving from his nearly 20-day trip that took him to Italy, France, Algeria, and the United States.

The minister qualified the results of his trip as "varied," adding that he sensed "an exceptional amount of respect and affection for our country, to which we must add the favorable impression created in the rest of the world by Argentina's successful economic achievements in refinancing our foreign debt and reducing inflation." Caputo said he had "nothing to add" to the report about his stay in Rome, since it "has been thoroughly reported by the press." However, he added that he will probably give a more detailed report after returning from Punta del Este.

Regarding his trip to Algeria, Caputo said that a joint commission meeting is being planned for March. He added that "it will not serve to begin thinking about things, but to make executive decisions, since as of this moment until March, we will exchange several commercial and technical missions." He described the result of his visit to Algeria as "very important from the political point of view and very promising in the commercial and technical exchange aspects, since a wide range of possibilities are opening up."

Commenting on his stay in Paris, Caputo said that he met with the French foreign minister, and that he had the chance to briefly meet with the president. He also held several meetings with the Argentine ambassadors in Europe in order to plan next year's activities, he said.

Caputo said that "Tokyo is a totally different matter, since our main goal there was to begin an in-depth political dialogue that we have never had in the past." He considered his visit very positive and said that some of the concrete results of his trip are that a Japanese parliamentary mission will visit our country in February and afterward a Japanese commercial mission will visit to study technological and commercial exchange possibilities. Caputo said that in Japan he met with the foreign minister, the prime minister, the imperial crown prince, and business personalities. He also said that he held a meeting with the Japanese Chamber of Commerce and Industry, which is a federation composed of 450 other Chambers that in turn represent more than 1.2 million (companies).

ECONOMY MINISTER REPORTS ON DEBT TALKS

PY191900 Buenos Aires BUENOS AIRES HERALD in English 19 Dec 84 p 1

[Text] (NA-DYN) -- Economy Minister Bernardo Grinspun said yesterday about 100 of Argentina's 320 private creditor banks had already given their approval to the draft agreement with their steering committee on the refinancing of the foreign debt while the remainder had until Friday to reply. Speaking with newsmen on his return from a tour which took him to Zurich, Frankfurt, and Paris, Grinspun said the main British banks among the creditor banks were also in the agreement.

The minister said his trip had accomplished all its objectives, which were to explain to the creditor banks Argentina's economic policies as agreed with the steering committee in order to reschedule the foreign debt and obtain new loans for 5.47 billion dollars. He said most of the replies from the creditor banks were expected tomorrow and Friday because they usually held their board meetings on Wednesdays, during which they took their major decisions.

He denied reports the International Monetary Fund (IMF) would on December 28 sign a stand-by loan of 1.42 billion dollars plus a further 270 million to compensate a drop in exports and explained the IMF board would meet that day to take a decision on the application. Grinspun said there were definite prospects for further foreign investments, adding that there appeared to be goodwill on the part of European countries towards Argentina. On the domestic front the minister said there would be no change in the government's wage policies but admitted if any demands were received they would be considered.

Grinspun, who after the meeting went to the presidential residence in Olivos to inform President Raul Alfonsin on the outcome of his trip, said the recent increase in the financial market interest rates was unimportant. He said the increase was probably prompted by the approach of the year end and recalled that on a previous occasion an operator had closed a deal at 35 percent per month but the following day the rates were down to normal.

CGT TO DEMAND EMERGENCY SALARY INCREASE

PY200156 Buenos Aires TELAM in Spanish 2352 GMT 19 Dec 84

[Excerpt] Buenos Aires, 19 Dec 84 (TELAM) -- The unified General Labor Confederation [CGT] today decided to request that President Raul Alfonsin grant an emergency salary increase. The CGT also congratulated one of its members, Saul Ubaldini, for having resigned from the post to whcih he had been named on the Justicialist National Council. The CGT's board of directors, which met this afternoon at the headquarters of the Textile Union, decided to ask the president for an urgent audience to demand, in addition to the emergency salary increase, the management of the social works and to express its criticism regarding the results of the government-business-labor agreement after a 6-month period of negotiations. This information was released after the meeting. According to Pedro Goyeneche, one of the CGT's directors, "said agreement has not produced a positive result for the workers and there are no signs that this situation will change in the immediate future."

Grinspun Remarks

PY200157 Buenos Aires Domestic Service in Spanish 2300 GMT 19 Dec 84

[Excerpt] Regarding the emergency salary increase that has been requested by the General Labor Confederation [CGT], Economy Minister Bernardo Grinspun has stated that the salary and wage policy will not be modified.

The economy minister held a meeting with the members of the Economic Cabinet to evaluate the CGT's request, the salary and wage guidelines for 1985, and other economic topics. Minister Grinspun also announced that the salary and wage guidelines for 1985 will be announced before the end of the year.

BORRAS REPORTEDLY ACCEPTS COUNCIL RESIGNATIONS

PY181640 Beunos Aires NOTICIAS ARGENTINAS in Spanish 2035 GMT 17 Dec 84

[Excerpt] Buenos Aires, 17 Dec (NA) -- Official sources today admitted that Defense Minister Raul Borras has decided to accept the resignations tendered by all the members of the Supreme Council of the Armed Forces, and that the replacements will gradually take place in early January. The sources stated that the replacements will take place beginning January because it has been decided to wait for the completion of the period for "accepting evidence" in the case of the defeat in the Malvinas war, a stage of the trial which is regarded as "essential."

Defense Secretary Denies Acceptance

PY192255 Buenos Aires TELAM in Spanish 2324 GMT 18 Dec 84

[Excerpts] Mar del Plata, 18 Dec (TELAM) -- Defense Secretary Horacio Janunarena today stated that the resignations tendered by the members of the Supreme Council of the Armed Forces have not yet been accepted and that this report was in error. Upon the conclusion of the acceptance ceremony of the Santa Cruz submarine by the Argentine Navy, Jaunarena said that we are bearing in mind the indispensable continuity that the Supreme Council of the Armed Forces must have since it is fully engaged in the Malvinas case and in a number of cases dealing with the consequences of the struggle against subversion. Jaunarena said that it is possible that there will be news soon but that at this time no resignation has officially been accepted.

Questioned on the alleged activities of the Shining Path in Argentina, Jaunarena stated that we are now evaluating this report. We know perfectly well the effects that subversive activities have had on our society. Therefore, we are closely following up on this report and we will not be diverted from it. At this time, there is no cause for exaggerated alarm.

With regard to the 1985 defense budget, Jaunarena stated that we are still in the preview stage. The final figures have not yet been determined. Such figures will be disclosed over the next few days but it will be a budget that will seek to reconcile the difficult times that our country is going through with the need to maintain an adequate Armed Forces defense range. We will have to make a special effort so that our scant resources are fully applied to the operational activities of the Armed Forces.

Upon being questioned on the reports from abroad that Argentine military men are reportedly active in Nicaragua, Jaunarena stated that he understood that this information referred to past times. During this democratic government, no officer from the Argentine Armed Forces has been in Nicaragua.

ARMY OFFICERS VOLUNTEER TO EXTEND WORK HOURS

PY191800 Buenos Aires DYN in Spanish 1905 GMT 18 Dec 84

[Text] Buenos Aires, 18 Dec (DYN) -- Reliable sources have reported that commissioned officers of the Sargento Cabral School at the Campo de Mayo military garrison have voluntarily decided during a meeting to extend their work hours, which were drastically reduced as a result of the military budget cut, to insure the maintenance of arms and equipment.

The officers yesterday held a meeting during which they analyzed the "critical" situation that Army units are confronting following the Argentine Union of State Suppliers' (UAPE) decision to suspend the delivery of supplies and essential equipment to the Army for lack of payment. As a result of the UAPE's decision, the Army General Staff instructed its various military units to "cut" the work day to 1100 because it could not provide lunch for its officers, most of whom have already been discharged from the service on orders from the executive branch. The Army officers, who met at the school's casino, adopted a stand to confront the budget's reduction. In this regard, they decided to maintain their usual working hours, which extend until 1400 in the summer, to permit the indispensable upkeep of school arms and equipment. Despite their low wages, some below the wages paid to the federal police, the officers also decided not to request any monetary reward or other special benefits for their decision.

The severe restrictions in the military budget caused deep concern in the Army, mainly because of the possibility that in the next few days several Army units might have to "simply close down" and discharge all the draftees due to the lack of funds needed to continue operating. At the Campo de Mayo Garrison, it was noted that the draftees' rations have been reduced to the minimum and that in some cases the ration "consists of just mate cocido [beverage] because of the total lack of funds. This problem has been the subject of numerous consultations between Army corps commanders and the Joint Staff chief, and of an exhaustive analysis by Defense Minister Raul Borras. Attempts are currently being made to reduce the military budget from the usual 6 percent of the gross domestic product to 4 percent.

COURT ASKED TO NULLIFY JUSTICIALIST CONGRESS

PY192142 Buenos Aires TELAM in Spanish 1600 GMT 19 Dec 84

[Text] Buenos Aires, 19 Dec (TELAM) -- A request was made at noon on 19 December to decalre null and void the extraordinary congress of the Justicialist Party [PJ] that was held on 15 December at the Odeon Theater. The request was made by Senators Vicente Saadi and Orlando Britos and by a board member of that congress, Evaristo Buezas, in their roles as first vice president, secretary, and member of the PJ's board of directors. Carlos Corach, a questioned national trustee of the PJ and a lawyer, also sponsors the request.

After an extensive brief, they request that every action that was taken by the members of the alleged directorate, which usurped the powers of the congress, be declared null and void; that the authorities that were elected during the congress of 3 September 1983 be notified that they still continue in their functions; and that the members that make up the so-called National Council, according to what has been published in the press, be notified that they must abstain from any type of action that could commit the political and material assets of the PJ. They ask that their request be given the urgent attention that is provided for in the nation's Civil and Commercial Code, in accordance with Article 68 of Law 22627. They also ask that the court rule that court proceedings be authorized during nonworking hours and days, including the court recess period. They give as their legal address the seat of the National Council, located at 2152 Venezuela St, Federal Capital.

JUSTICIALIST PARTY DISMISSES CORACH AS TRUSTEE

PY191802 Buenos Aires TELAM in Spanish 2256 GMT 18 Dec 84

[Text] Buenos Aires, 18 Dec (TELAM) -- Rodolfo Ponce, press secretary of the Justicialist Party, today said that Carlos Corach, national trustee for this party, has adopted unethical attitudes incompatible with the duties entrusted to him by the party when he declared that the congress held last weekend at the Odeon Theater was null and void.

Ponce explained that in view of this attitude Corach has ceased to be the trustee of the Justicialist Party as of today and instructions have been issued to serve him the proper notice. The press communique stated that Carlos Corach made remarks picked up by the press which he did not bother to deny. According to the press reports Corach has been giving advice and stating opinions regarding the Justicialist Party Congress held on 15 and 16 December. The communique further adds that this sort of behavior, in addition to any future charges he may be called to answer for, makes him unworthy of holding the position of national trustee of the Justicialist Party. Thus, the party hereby informs that he has been dismissed as its legal representative.

UBALDINI ON PERONIST CONGRESS, PARTY UNITY

PY191720 Buenos Aires TELAM in Spanish 1235 GMT 18 Dec 84

[Text] Buenos Aires, 18 Dec (TELAM) -- Saul Ubaldini has said that "I have not accepted any post, since I did not know that the post of party labor secretary existed." These statements were made shortly after he got off the plane which brought him from Rome when he was asked about the decision taken by the party congress last weekend during a meeting which has been questioned by 345 congressmen.

When Ubaldini was asked whether he had been consulted on his appointment to the aforementioned post he stated: The subject has been discussed. I have been absent and reiterate that we have always worked for the unity of the movement." The union leader added: "We are used to giving things up. When the congress offered it to us, we renounced the possibility of becoming national senator, president of the metropolitan congress, secretary for political affairs of the party, and also of the National Congress."

After stating that an end must be put to several things, Ubaldini said that ours is a message of peace, love, with projects and programs that go far beyond politics. Ubaldini reiterated that he had not accepted the post and that we must strive for the Justicialist Party's unity in order to be able to achieve the great national unity later on.

Ubaldini returned from Brussels where he attended the meeting of the International Confederation of Free Trade Unions (CIOLS). He said that during the meeting the foreign debt problem was discussed and the gradual humanization of the financial system was sought so that indebtedness may not be paid back at the price of the people's hunger. He explained that the CIOLS has scheduled another meeting for next February with the administration council and a meeting with the IMF and the World Bank and that this organization wants to help all those governments that have foreign debt problems.

Ubaldini, who was met by several labor union leaders and left the airport in a car, regretted the disagreements that surfaced [passage indistinct] divisionism because the grass roots are united by a doctrine. He ended by stating that, once and for all, reason should prevail over force.

JUSTICIALIST DEPUTY ON 'GANG' WITHIN PERONISM

PY191500 Buenos Aires DYN in Spanish 1244 GMT 19 Dec 84

[Text] Resistencia, 19 Dec (DYN) -- Chaco Province Deputy Adolfo Torresagasti (Justicialist Party) has stated that he has evidence that members of the Justicialist leadership elected during the Justicialist convention last weekend held meetings on 14 December at the U.S. Embassy. He also stated that there are oligarchic and international interests financing an internal "gang" within Peronism.

In statements he made to a local daily, Torresagasti stated that the designation of Santa Fe Governor Jose Vernet as vice president of the Justicialist Executive Board is "reproachable" since, in his opinion, such a position is incompatible with his post of governor. "How will he (Vernet) play along with the opposition and at the same time knock at the doors of Government House to seek funds for his province?" Torresagasti asked rhetorically.

Torresagasti stated that "international interests and the domestic oligarchy are financing the formation of a gang to destroy the national Justialist movement." Torresagasti added that "we have evidence that the leaders elected to the Peronist leadership by a minority, in an action that (?offended) our political ethics, went to the U.S. Embassy in Buenos Aires Friday morning."

"It is obvious that there is an agreement to surrender our party banners and our movement to the transnational interests and to the national oligarchy," Torresagasti emphasized.

Regarding the attitude adopted by most representatives from provincial districts who walked out of the party convention, Torresagasti explained that "our rebelliousness is the logical result of our indignation over this reproachable attempt to surrender Peronism."

"This attitude means to stand against the members of organized crime who are hindering the freedom of expression of the conventioneers. Peronism cannot voice such an opinion," Torresagasti added. Torresagasti stated that, on the contrary, "the 'gang,' one that fortunately now has been dealt a deadly blow, is voicing such opinions. This methodology is coming to an end." Finally, Torresagasti stated that the attitude adopted by the dissident group seeks "to eliminate the poison within Peronism" and that "we will administer the coup de grace to the 'gang' on 2 February in Tucuman."

CHRISTIAN DEMOCRATS REACT TO RADICAL DECISION

PY171800 Buenos Aires BUENOS AIRES HERALD in English 17 Dec 84 p 7

[Text] (NA) -- The Christian Democrat Party's national council yesterday announced that no member could be a candidate for any other political party without the prior approval of party's authorities. This decision was the first reaction of a political party to the Radicals' declared intention of including non-party candidates on its electoral lists.

PROVINCIAL PARTIES HOLD MEETING IN SAN JUAN

PY171755 Buenos Aires BUENOS AIRES HERALD in English 17 Dec 84 p 7

[Text] San Juan (DYN) -- A meeting of provincial parties here yesterday called for measures to end hatred and new forms of violence in the media and stressed the need for freedom and private initiative in the economic field, as well as a plan to overcome inflation in the short term. In a statement called the Declaration of San Juan, the parties termed inflation a scourge which was particularly burdensome for the provinces and said it was causing a drop in investments. The meeting was attended by representatives of the San Juan Bloquista Party, the Corrientes Autonomist and Liberal parties, the Salta Renovador Party, the Jujuy Popular Movement, the La Lampa Federalist Movement, the Tierra del Fuego Popular Movement, the Chaco Unity Movement and the San Luis Popular Movement.

MORE MINISTERS REPORTEDLY RESIGN FROM CABINET

Transportation Minister's Statement

PY191940 La Paz Cadena Panamericana in Spanish 1700 GMT 19 Dec 84

[Excerpt] In statements to Radio Panamericana, several Nationalist Revolutionary Movement of the Left ministers from the economic cabinet have stated that they have not resigned their posts.

Transportation Minister Hernando Poppe Martinez has denied that the ministers have collectively resigned, emphasizing that the only ministers who have resigned are the Movement of the Revolutionary Left ministers.

[Begin Poppe Martinez recording] Yes, some press reports in the sense that there would be a general crisis have come to my attention but such a crisis is not apparent. Only the three MIR ministers have resigned. However, to my knowledge, the rest of the cabinet has not resigned. [end recording]

Foreign Minister's Remarks

PY192120 Madrid EFE in Spanish 1937 GMT 19 Dec 84

[Text] Punta del Este, Uruguay, 19 Dec -- Bolivian Foreign Minister Gustavo Fernandez Saavedra said here today that he has confirmed his resignation from his post and he noted that Bolivian democracy is not threatened.

The Bolivian foreign minister talked to EFE at the end of the River Plate Basin foreign ministers meeting. Fernandez said that Bolivian President Hernan Siles Zuazo has called for national elections for 1985 and that he has issued the proper law.

He added: This is why we cabinet members decided that it was proper to tender our resignations so that the president may have the necessary freedom to form a new cabinet with which he can work during the election campaign.

The foreign minister categorically stated that Bolivian democracy is not threatened. He added: I think that if there is anything that can be said about these painful years that Bolivia has experienced, it is that Bolivians have reasserted their will to defend democracy.

Fernandez noted: Despite serious incidents that at other times might have resulted in the destruction of the Bolivian institutionalization process, the people have always reasserted their democratic tradition and the need to seek a solution to all national problems within the framework of the Constitution.

MNR CONDEMNS ATTEMPTS TO OBSTRUCT ELECTIONS

PY192300 La Paz Cadena Panamericana in Spanish 1700 GMT 19 Dec 84

[Excerpt] The Nationalist Revolutionary Movement [MNR] has stated that government sectors have resorted to tricky maneuvers in an attempt to frustrate the electoral process, proposing in Congress the revision of the call for elections issued by President Hernan Siles Zuazo.

Holding general elections will provide an adequate solution to the crisis which is adversely affecting the national community.

The major national and regional problems have not been tackled in due time by the Democratic and Popular Unity [UDP] government of its inability and its inconsistent policy, Ciro Humboldt Barrero, one of the MNR's main leaders, told Panamericana.

[Begin Humboldt recording] The Communist Party and the Christian Democratic Party, reneging on the commitment signed before church authorities, are now trying to deny the validity of the law calling for general elections, using legal language and legal tricks which only serve to reveal those who use the country's interests for their own benefit, and now refuse to leave their comfortable positions. The call for elections is the result of the pressures from the most representative sectors of the country, seeking to counterbalance the inability and inconsistency of the government team which had led the country to a calamity and to the worst crisis in Bolivian history. If the government tries to frustrate the electoral process it will be ostructing the democratic path [word indistinct] by the MNR. And if the democratic path is obstructed, history will show that the people will know how to find their own paths to demand their rights. Acting irresponsibly as usual, the UDP is trying to obstruct the only constitutional path that is still available. It must be very clear that if the UDP persists in its position, the people's reaction could have dramatic consequences. [end recording]

REQUEST TO ELECTION LAW RECONSIDERATION REJECTED

PA191959 La Paz Cadena Panamericana in Spanish 1700 GMT 19 Dec 84

[Excerpt] In an exclusive interview granted to Radio Panamericana, Colonel Samuel Gallardo Lozada, retired, chairman of the Chamber of Deputies, stated that the petition submitted by Christian Democratic Party Deputy Oscar Bonifaz demanding that the promulgation of the law calling for general elections be reconsidered has been denied. Gallardo Lozada stated that this decree has already been approved and promulgated, and that it is now in force.

MIR-MASAS FACTION SAYS GOVERNMENT 'NULLIFIED' DEMOCRACY

PY191306 La Paz Cadena Panamericana in Spanish 1130 GMT 19 Dec 84

[Excerpt] One of the conclusions reached during the meeting held by the Movement of the Revolutionary Left [Mir]-Masas Front claims that the democratic process, which was restored in October 1982, has been nullified by the government's clear and irreversible treason. The meeting was held last weekend, according to reports furnished by MIR-Masas leader Juan del Granado.

The official inconsistency and surrender, according to the MIR-Masas communique, is shown by the fact that the Democratic and Popular Unity (UDP) has surrendered to the right wing, has relinquished the people's mandate, and has called general elections for 1985, thus becoming a mere transition government, which is led by a president who has chosen to resign and live comfortably.

NEW IMF LETTER OUTLINES 'EXTREMELY HARD' GOALS

PY141927 Rio de Janeiro O GLOBO in Portuguese 13 Dec 84 p 19

[Text] Brasilia -- The new letter of intent between the Brazilian Government and the IMF that has been recently approved in Washington includes extremely hard and recessionist objectives for 1985, such as a 60 percent increase in the monetary base (currency issuance) and in the means of payment (money owned by the public but in cash deposits in the banks). The current expansion goal is of 25 percent. The main items of the letter of intent, which were reported yesterday by Finance Minister Hernane Galveas, contradict the economic program of Tancredo Neves, the presidential candidate of the Democratic Alliance. His economic program is based on the resumption of economic growth.

The IMF for the first time considers the monetary base and the means of payment as a performing condition, that is, objectives that set the conditions for the IMF to grant credits to Brazil.

In practice, the new letter of intent forsees a real contradiction of the monetary base by 27.27 percent in relation to the 120 percent inflation expected for all of 1985. These numbers represent even greater austerity in the availability of economic resources than in 1984, when the real monetary base contration during the last 12 months was of about 12 percent.

The new letter of intent will include another innovation: The government will no longer mention the numbers related to the nominal deficit of the public sector (which include the monetary and exchange corrections). Only the public sector operational surplus (with the exclusion of the two corrections) will be mentioned and it will be 2.9 percent of the GDP for next year.

In a note released yesterday, the finance minister reports that the new letter of intent will be delivered to the IMF in Washington by the Brazilian representative to the IMF, Alexandre Kafka. Galveas said that at any moment the IMF will report to the Brazilian foreign debt advisory committee, which is made up of representatives from 14 creditor banks, on the terms agreed to with Brazil for 1985.

Former Social Security Minister Helio Beltrao, who is a member of the committee in charge of proposing an economic program for presidential candidate Tancredo Neves, is not surprised by the terms of the letter, however, he preferred not to make any comments: I cannot comment about this government's actions. The members of the committee who will propose Tancredo Neves economic program and I are concerned with the future, not with the present. If the terms of this letter of intent negatively interfere with the next few years, we will give our opinions at the proper time.

NEVES' ECONOMIC TEAM DRAWS UP GUIDELINES

PY191303 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 19 Dec 84

[Report from Brasilia by Carolos Rodrigues]

[Excerpt] The economic team drawing up the government program for future President Tancredo Neves held a 4-hour meeting here in Brasilia. During the meeting the team evaluated the country's economic situation and drew up the basic guidelines it will follow.

PDS SEEKS REACTIVATION OF PARTY UNITY

PY191404 Rio de Janeiro O GLOBO in Portuguese 18 Dec 84 p 3

[Text] Yesterday the presidents of 10 regional directorates of the Social Democratic Party [PDS] decided to establish a truce between Maluf supporters and independents until the presidential elections. The purpose of the truce is to try and reactivate the party after the elections and to hinder the strengthening of the Liberal Front. The proposal for an extraordinary convention, submitted by Deputy Victor Faccioni, PDS president in Rio Grande do Sul -- supported by Governor Jair Soares and Nelson Marchezan, president of the Chamber of Deputies -- has been withdrawn in the name of party unity.

The meeting was attended by the following directorate presidents: Aberbal Jurema of Pernambuco, Paulo Pimentel of Parana, Benedito Ferreira of Goias, Henrique Cordoba of Santa Catarina, Manuel Ribeiro of Para, Eraldo Tinoco of Bahia, Denibal Riberio dos Reis, and Victor Faccioni of Rio Grande do Sul, as well as the delegates of Sao Paulo and Alagoas. The approval of only eight of the directors attending the meeting was necessary to call a convention but, in view of the expected absenteeism at the National Directorate meeting scheduled for today, the PDS leaders decided to propose another meeting immediately after the presidential elections.

MALUF SUPPORTERS APPOINTED TO PDS BOARD

PY191224 Porto Alegre Radio Guaiba in Portuguese 0200 GMT 19 Dec 84

[Excerpts] Today, as scheduled, Paulo Salim Maluf assumed the presidency of the Social Democratic Party [PDS] after the party leadership, with the presence of only 66 of its 121 members, appointed only Maluf supporters to the vacant posts.

Sao Paulo Deputy Armando Pinheiro was appointed new secretary general; Minas Gerais Deputy Geraldo Renault was named first secretary; and Amazona Deputy Jose Fernandes and Rio Grande do Sul Deputy Emilio Perondi were named committee members.

The meeting was delayed for 1 hour until a quorum was reached with the arrival of the chief of the Military Household, General Bolvery de Couto e Silva, at the Sofia building in Brasilia at 1000. The chief of the Military Household was the 61st [number as heard] member of the party leadership to arrive, thus completing the quorum necessary for the meeting. He said that he came to the meeting at the request of Paulo Maluf so that the meeting could start.

The subject of purging party dissidents was scratched from the agenda before it was brought up at the meeting. Therefore, the only subject that remained for discussion was the setting of dates for party conventions. The municipal conventions were set for 14 April, the regional ones for 16 June, and the national convention for 28 July.

However, the meeting not only focused on the aforementioned issue. One of the main subjects brought up by several speakers was whether to allow those dissidents that have not joined the Liberal Front to return to the PDS. Other outstanding issues were the criticisms of President Figueiredo's government and the 20-year military regime.

Justice Minister Ibrahim Abi Ackel was the only minister at the meeting, and the only governor who confirmed that he would attend the meeting, Mato Grosso Governor Edilio Campos, did not appear.

REPORTS ON EXPLOSIONS, JOURNALIST'S KIDNAPPING

Bombings in Santiago, Other Cities

PY200225 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 20 Dec 84

[Text] There was a wave of 19 bomb attacks last night in four Chilean cities. As a result, 1 person was killed and 20 were injured. In the most serious of these attacks, three bombs went off in front of a Carabineros antiriot unit. As a result of it, 1 person was killed and three Carabineros and three civilians were injured. There were other bomb explosions in Rancagua, Curico, Concepcion, and in several Santiago neighborhoods.

Attacks in Vina del Mar

PY201052 Santiago Domestic Service in Spanish 1000 GMT 20 Dec 84

[Text] The office of the Fifth Region intendant has reported that five [as heard] bomb attacks were perpetrated over the past few hours. According to the information, Gustavo Olivar Cabrera sustained wounds when a bomb exploded inside a public telephone booth on the corner of Uruguay and Chacabuco Streets in Valparaiso. An 11-month-old baby who was being carried by his grandmother was also wounded when an ammonia gelatine bomb exploded inside a truck parked on the corner of Colon and General Gres Streets. The report also mentions a bomb attack at the Carabineros Officers Club in Valparaiso, another in behind the Maritime Chamber building, one in the port, and another in the Vina del Mar minors court. Moreover, it was disclosed that members of the security forces have deactivated three explosive devices that were planted in various parts of Vina del Mar.

The report ends by condemning the [words indistinct] communism through its extremist organizations that threaten innocent lives.

Minister Cuadra's Remarks

PY191930 Santiago Domestic Service in Spanish 1630 GMT 19 Dec 84

[Text] Minister Secretary General of Government Francisco Javier Cuadra has said that the abduction of Sebastiano Bertolone, the deputy director of the newspaper LA NACION, is a very serious action. Cuadra has submitted a detailed report on this matter and on the bombing of the headquarters of the special Carabineros forces on San Isidoro Street in which a bystander died. The minister has also reported the arrest of two subversives who detonated a bomb at [word indistinct] waste water disposal plant at the corner of (Orompillo) and Carrera Streets, in Concepcion. All these actions, he stressed, have followed a strategy that seeks to focus the public's attention on terrorism in the second half of December.

Minister Cuadra first referred to the attack against the special Carabineros forces headquarters. He reported that three bombs had been placed inside a wheelbarrow next to a wall on a street close to the headquarters.

[Begin Cuadra recording] There was a triple blast at (?0330). The first detonation killed Mrs Olga del Carmen Wildeng. The bomb placed at (?the corner of Carlo and Florin) went off at 2110. [end recording]

Cuadra then reported on a bomb blast at the corner of (Orompillo) and Carrera streets in Concepcion, where the waste water disposal plant is located. Carabineros personnel detained the persons who placed the bomb. They are Tomas Acuna Paves, 44, worker; and Guillermo Juan Lagos Agredo, 22, accountant.

In a third action, which is very significant and which has seriously affected mass media, LA NACION Deputy Director Sebastiano Bertolone has been abducted. Minister Cuadra has reported on the action as follows:

[Begin recording, in progress]... as he arrived at his house at 1829 Las Palmas Street in Nunoa, LA NACION Deputy Director Sebastiano Bertolone and his wife were abducted. His wife was later released. There unknown persons forced them into a vehicle and headed south. Later, both [name indistinct] Gonzalez de Bertolone, Bertolone's wife, and Carla Bertolone Barrales, 5, his daughter, were released by the kidnappers in the Jaime Eyzaguirre neighborhood of the (Nacul) district. [end recording]

The minister reported on some specific details of this action, so that the public may become aware of his escalation of terrorist activities. [recorded passages indistinct] All this, he said, reveals that there is a careful training program under way abroad, mainly in Cuba, to train people who have clandestinely entered our country. This was clearly proven when the police killed the terrorist in charge of the radio station Liberacion Nacional. Cuadra showed reporters the plans for the abduction of Bertolone and a Czech-made submachine gun and 155 bullets that were left by the terrorists. Asked about the political significance of this action, Minister Cuadra replied:

[Begin recording] The political significance of this action is closely linked with the fact that the firepower and the capacity of an operation of Marxist terrorism is large enough to justify all the measures that we have adopted under the state of seige. This situation should be the main concern not only of the government, but also of the public, particularly those sectors that are interested in (?civilian) affairs. They should see the extent to which the political obstinacy of an unbalanced minority has driven our national coexistence to a situation in which all the people must act accordingly, uniting behind the government to defeat terrorism, which is real social scourge. [end recording]

Asked whether these actions may affect the curfew hours for the holidays, Cuadra said that they are very likely to cause changes. The minister also indicated that it is advantageous to have a clear picture of several points.

[Begin recording] In the first place, you must take into account that it is the deputy director of the newspaper LA NACION who has been abducted. Considering that he is a journalist, this is (?quite sad) news for the social communications media.

The purpose of these actions is to focus the people's attention on the fact that terrorists are ready to do anything, even endanger people's lives, particularly [words indistinct] the wife and daughter of LA NACION's deputy director [words indistinct] of the abduction. [end recording]

For this reason, Cuadra said, the people must be absolutely alert on this matter, noting that when the government talks about the terrorist campaign, it is not referreing just to a simple political action with propaganda or publicity purposes. Asked how the people can cooperate with the government to prevent terrorist actions, the minister secretary general of government said:

[Begin recording] As I stated last week, the people must watch for actions that could seem totally inoffensive, such as a person standing in the small place for a prolongued period, telephone tappings, persons (?knocking at one's door) to ask irrelevant questions, and any other unusual and infrequent events in daily life. You can see how easily extremists can confront different circumstances. They started with the system of car bombs, [passage indistinct]. [end recording]

Regarding the infiltration of terrorists into the country, Minister Cuadra pointed out that appropriate measures on this matter have already been taken. The minister added that precise instructions in this regard have been given. When asked if these events show that we are at the doorstep of urban guerrilla warfare, Cuadra said that it would not be appropriate to give a definite opinion on this matter because the situation is complex and extremists are using all their resources to demonstrate that their presence cannot be affected by the measures implemented due to the state of siege.

FPMR 'Responsibility' For Abduction

PY192010 Paris AFP in Spanish 1948 GMT 19 Dec 84

[Text] Santiago, 19 Dec (AFP) -- The clandestine Manuel Rodriguez Patriotic Front (FPMR) today took responsibility for the kidnapping of journalist Sebastiano Bertolone, deputy director of the government newspaper LA NACION, and has asked that three leftists who took refuge in the Swedish Embassy in Santiago 20 days ago be allowed to leave the country. A man called the newspaper, identifying himself as an FPMR member, and demanded the departure of the three subversives who according to the military government took part in an attack against a police station on 4 November 1984. Police sources indicated that the journalist was kidnapped last night by a well armed commando upon arriving at his house. Similar calls were received by reporters of a Santiago radio station.

The FPMR is an armed group that has been operating in clandestinity since September 1983. The military government of General Augusto Pinochet says that this organization is linked to the proscribed Communist Party of Chile (PCCh).

'Harsh Measures' Studied

PY200215 Paris AFP in Spanish 0048 GMT 20 Dec 84

[Excerpts] Santiago, 19 Dec (AFP) -- It was learned today that the military Government of Chile is studying harsh measures to stop the escalation of violence which in recent hours resulted in the kidnapping of the deputy director of the progovernment newspaper LA NACION, and in a dozen bomb attacks which claimed the life of a woman.

Interior Minister Sergio Onofre Jarpa has discussed the latest subversive actions with ministers, police, security officials, and national defense representatives. An official who attended the meeting confirmed that "the main topic of discussion was the successive acts of violence which have taken place recently" under the state of siege which has been in force since 6 November. Three persons were also injured in the port of Valparaiso 140 km northwest of Santiago, where at least five explosive devices went off in recent hours. The office of the Valparaiso intendant has reported that the attacks damaged a building for police officers, the headquarters of the maritime chamber, a courthouse for minors, a telephone booth, and a truck. Three explosive devices planted in Vina del Mar, the neighboring resort city, were defused by the police bomb squad.

"The regional intendant condemns these attacks which communism has been undertaking through its extremist organizations, which are thus endangering the lives of innocent people," an official communique said.

EXILES TURNED BACK AT ARGENTINE BORDER

PY200015 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2230 GMT 19 Dec 84

[Text[Buenos Aires, 19 Dec (NA) -- Chilean authorities did not allow 21 Chileans to enter Chile after 11 years in exile, alleging that the bus that was carrying them did not have the necessary international documentation. The exiles were forced to return to the Argentine city of Punta de Vacas to obtain the missing documents and they are presently making the necessary arrangements. According to radio reports from the Argentine Automobile Club, the group will possibly change vehicles to try once more to enter Chile.

DEL VALLE ON TALKS WITH BOLIVIA, ASIAN TOUR

PY190212 Santiago Radio Chilena in Spanish 2200 GMT 18 Dec 84

[Excerpts] Foreign Minister Jaime del Valle today reported that he will meet with his Bolivian colleague, Gustavo Fernandez, in Bogota on 5 and 6 February. He also referred to the president's interest in traveling to the PRC, Korea, and Japan, as well as to Ambassador Daza's speech at the UN General Assembly. Minister Jaime del Valle today presided over the closing ceremony of the academic year at the Andres Bello Diplomatic Academy. Following the ceremony, he granted a press conference.

Minister Del Valle first said that he will meet with Bolivian Foreign Minister Gustavo Fernandez in Bogota, Colombia, on 5 and 6 February. During that meeting, both foreign ministers will resume talks aimed at a rapprochement between the two governments. Colombian Foreign Minister Augusto Ramirez Ocampo, who is the host of the Chilean-Bolivian talks, will also participate. Minister Del Valle revealed that the procedures for continuing the talks, a diplomatic rapprochement, and future relations between the two countries will be established during the talks, and that a solution to the Bolivian maritime problem will be sought. After the meeting in Bogota, Jaime del Valle and the two other foreign ministers will travel to the Dominican Republic, where a new meeting of the Cartagena Group will be held to study Latin America's foreign debt situation. Minister Del Valle also referred to the statements made by President Pinochet about his interest in strengthening Chilean ties with the PRC, Korea, and Japan. After being asked if the president may possibly travel to these countries, Del Valle replied that although the president has not made any comments on any eventual trip, it is obvious that he is interested in making one. Del Valle said the president has ordered him to travel to the PRC and to Korea and other countries of the region next year.

COLLADOS ANNOUNCES DECREASE IN CUSTOMS DUTIES

PY190207 Santiago Domestic Service in Spanish 2200 GMT 18 Dec 84

[Excerpts] At a joint press conference, Economy Minister Modesto Collados and Finance Minister Luis Escobar today announced that custom duties will gradually be reduced as of 1 July 1985. Economy Minister Modesto Collados first referred to the unity prevailing within the economic team.

[Begin recording] I am very pleased to say that there is complete unity within the government and particularly within the economic team on the overall economic policy. [end recording]

He reasserted that it is the government's goal to achieve a 4-percent economic growth in 1985, and that all efforts will be aimed at achieving this goal. Collados also referred to a gradual decrease in customs duties.

[Begin recording] With the objective of establishing clear guidelines for economic factors, we shall announce at this time some measures pertaining to customs duties. This is a matter that has been the subject of recent discussions, but the government has made a decision, particularly regarding exports which are essential to achieve the development of Chile's economy. Therefore, we inform the public that in keeping with the president's orders, the present customs duty of 35 percent will be reduced to 30 percent as of 1 July 1985. Moreover, it will again be reduced to 25 percent during the first half of 1986. [end recording]

However, Economy Minister Collados noted that the decrease will not be applied to exporters, but other measures will be enforced with the objective of returning to them expenses on customs or domestic taxes. Moreover, Finance Minister Luis Escobar Cerda noted that negotiations with the IMF are continuing. The finance minister added that they are still working on figures and that all issues have been discussed, but that so far no decisions have been made.

LAGOS REGRETS MATTHEI'S REPLY TO AD PROPOSAL

PY200140 Buenos Aires TELAM in Spanish 2212 GMT 19 Dec 84

[Excerpt] Santiago, 19 Dec (TELAM-LR-ANSA) -- Opposition Democratic Alliance [AD] President Ricardo Lagos today stated that there will be more protest drives against the military government and warned about the danger of increasingly radicalizing positions. Lagos regretted a harsh reply given yesterday by Air Force Commander in Chief General Fernando Matthei to an AD letter sent to top military officers urging them to hold talks with civilians. Matthei said that he had not received the letter which was, however, distributed to everyone. They have treated me with disrespect and therefore when I receive the letter I will not even open it; I will send it right to the shredder, Matthei said. Lagos said: The Armed Forces commanders in chief do not want to find solutions for Chile. I am sorry not for those of us who wrote the letter but for Chile and its future. Lagos added: The letter was delivered on 14 December to the offices of the commanders in chief of the Army, the Navy, and the Air Force, and of the Carabineros director.

CHINA BUYS $30 MILLION WORTH OF COPPER

PY151358 Santiago Domestic Service in Spanish 1000 GMT 15 Dec 84

[Excerpt] China has purchased $30 million worth of copper from the Chilean Copper Corporation. This announcement was made yesterday afternoon by Oscar Libano, executive secretary for foreign investments, at the end of a luncheon given for a visiting Chinese trade mission at the Industrial Development Association. The luncheon was attended by Foreign Minister Jaime del Valle, Economy Minister Modesto Collados, and Mines Minister Samuel Lira Ovalle. Commenting on the significance of the Chinese mission, Collados said:

[Begin recording] Chile has great interest in this relationship. This mission has already carried out specific actions here: It has contacted forestry and mining sectors and has expressed great interest in copper and (?pulp) [passage indistinct]. Therefore, we should markedly intensify our still modest trade with China, which is less than $110 million a year. As I mentioned earlier, China is undoubtedly among the leading countries of the world. [end recording]

The members of the Chinese mission expressed special interest in (?copper) concentrates and wood, and proposed making investments through mixed enterprises or through credits to Chile. The Chinese mission is led by Liu Yue, deputy chairman of the Chinese Foreign Trade Administration Bureau.

MINISTRY DENIES DEATH OF DEFENSE MINISTER

PA141521 Bogota Cadena Radial Super in Spanish 0000 GMT 14 Dec 84

[Text] It has just been announced on television that Defense Minister General Gustavo Matamoros D'Costa has died. We have gotten in touch with the Narino Palace to confirm his death. We were told that President Belisario Betancur has spoken with the military hospital and the defense minister's family and that the general is still alive but in critical condition. At this time there is a meeting of doctors who are treating Gen Matamoros D'Costa at the military hospital. Therefore, the report of his death issued by television and news media other than this station is not confirmed. It is reported that he is still alive but in very critical condition.

Various news media have been speculating about the death of the defense minister. This station also contacted the Defense Ministry, which denied the report. The officer on duty at the Defense Ministry denied the report.

[Begin recording] [Ministry spokesman] The report is completely false. We are in direct touch with the military hospital, and they tell us that the report is false.

[Reporter] What have you been told at the military hospital?

[Spokesman] That the report is false. That is all. We just wanted to confirm the news we heard on the radio. We are in direct contact with the (?hospital), and they told us it was false.

[Reporter] Some news media, other than this station, have reported that the minister has died. We wanted to clearly confirm this.

[Spokesman] The report is absolutely false. [end recording]

As you have just heard from a Defense Ministry officer, Defense Minister Gen Gustavo Matamoros D'Costa remains in the military hospital in normal [as heard] condition.

M-19 MINES AREAS AROUND CAMPS FOR DEFENSE

PA182110 Paris AFP in Spanish 1614 GMT 18 Dec 84

[Excerpts] Bogota, 18 Dec (AFP) -- The Colombian 19 April Movement (M-19), an extreme left nationalist guerrilla organization, today admitted that it has mined the areas around its camps in San Pablo and Yarmal, in the jurisdiction of Corinto, northwest of Cauca Department.

"We have every right to defend ourselves, and we are going to continue to do so," M-19 leader Israel Santamaria told the private CARACOL Radio Network, adding that "we have mined the areas around our defenses."

After constant and heavy clashes between M-19 guerrillas and the Army in the region, acting Defense Minister General Miguel Vega Uribe charged that the M-19 had mined the zone and established there an "independent republic, which we will not permit." The clashes that have taken place in the last 5 days have left four soldiers and an undetermined number of guerrillas wounded. According to M-19 representatives, the magnitude of these clashes is endangering the stability of the truce signed by the M-19 and the government.

Carlos Pizarro, the M-19 third-in-command and commander of the M-19 column entrenched in Corinto, recently stated that the truce is "hanging by a thread," demanded the Army's immediate withdrawal from the area, and demanded the presence of the cease-fire verification commission.

Guerrilla leader Israel Santamaria accused the Army of breaking the truce and maintained that the M-19 "is fulfilling and has totally fulfilled the commitments it reached with the government."

"What is now occurring in Corinto is that the Army has broken the truce because it has massively attacked the M-19 camps with artillery and mortar fire," Santamaria added. He indicated that the agreement reached by the M-19 with the government was not to undertake offensive actions. "Our weapons have been silenced in our camps, just as the agreements stipulate," he added. He said the defense minister's assertions are false and indicated that the accusations about kidnappings "are just a pretext to launch an attack against our camps."

"The M-19 has not carried out any kidnapping or action that violates the truce. Proof of this is the fact that we have asked the members of the Peace Commission to verify this and to inspect our camps inch by inch, because we are not holding any kidnap victim," he added. "There is no independent republic. What exists are the M-19 camps, inside which we have every right to defend ourselves," the guerrilla leader said.

GENERAL VEGA URGES M-19 REBELS TO STOP FIGHTING

PA200252 Bogota Emisoras Caracol Network in Spanish 1215 GMT 19 Dec 84

[Text] Bogota -- Defense Minister General Miguel Vega Uribe [title as heard] has warned that confrontations with the 19 April Movement [M-19] will continue if that organization insists on closing highways and preventing the Army from fulfilling its patrol duties. The minister declared emphatically that the military forces will under no circumstances allow the presence of parallel armed forces, mined fields, or zones set aside for the exclusive transit of armed persons who do not belong to the Armed Forces.

Vega Uribe warned that the Armed Forces have the duty to make sure the law is fulfilled throughout the entire national territory. The only possible way to solve the conflict is for the M-19 guerrillas to come down from the mountains unarmed, with the assurance that the Army will not exercise any type of reprisals against them, Defense Minister Vega Uribe said.

M-19 SEEKS MEDIATION OF MEXICO, SPAIN, CHURCH

PA200229 Paris AFP in Spanish 2320 GMT 19 Dec 84

[Text] Bogota, 19 Dec (AFP) -- The 19 April Movement (M-19, nationalistic extreme left) guerrilla group today requested the mediation of Mexico and Spain, as well as the Catholic Church, to help maintain peace in Colombia.

The organization gave the press copies of the message they sent to Mexican President Miguel de la Madrid, Spanish Prime Minister Felipe Gonzalez, and the Colombian Episcopate.

In its message, the M-19 stressed that "peace in Colombia is threatened today" and protested "the Army's offensive against our forces, which violates the truce signed as part of the peace agreement and national dialogue."

After warning about the grave repercussions that this operation has for peace in the entire country, the guerrilla group stated: "This clearly shows who the enemies of peace are and who, by fire and sword, want to prevent Colombia's advancement toward democracy and are trying to make us return to the path of war."

The M-19 stated that it has fully complied with the agreements and that it has done everything possible for peace in the country. Once again the guerrilla group expressed its confidence in President Belisario Betancur's efforts as head of state, stressing that "he is the only one who can guarantee peace today."

In its letter to President De la Madrid, the M-19 specifically said:

"For this reason, today we appeal to Mexico, as a member of the Contadora Group and indefatigable vanguard for the defense of peace, self-determination, and democracy in the continent, to contribute with its voice and prestige to safeguard peace in Colombia."

In its note to the Spanish head of government, the M-19 said:

"We trust that you, who have accompanied us from the beginning of this process, will contribute at this definitive hour with your voice and efforts to prevent Colombia from reaching a point of no return and having to go through the painful experience of a civil war, as the Spanish people faced yesterday and our Central American brothers are facing today."

The note to the episcopate stated that "the church and its peace promoters have a Christian obligation today: to raise their voices in favor of peace so that Colombians may celebrate Christmas with peace and joy."

These calls referred to the recent armed clashes between the M-19 and the Colombian Army in the Corinto region, in the southwestern part of the country.

According to military spokesmen, the M-19 has installed small forts in this region and has mined the areas surrounding them. They added that, according to the Constitution, the Armed Forces cannot allow the existence of "independent republics" and therefore will continue fighting those who violate the law.

BRIEFS

OIL EXPLOITATION -- Bogota -- The government has agreed to allow the oil from a well in Casanare Intendancy to be marketed in accordance with the Colombian Petroleum Enterprise's partnership contract with (Elf-Aquitaine Colombie). The well has a daily yield of 4,500 barrels of oil and is located in a field called (Cravo Sur). The estimated reserves in this field amount to 8-10 million barrels and the field also has a potential of 4 billion cubic feet of gas. The oil was found at a depth of 11,500 feet. This will considerably increase Colombia's domestic production. [Summary] [Bogota Domestic Service in Spanish 1730 GMT 11 Dec 84 PA]

INDUSTRY MINISTER ON WITHDRAWAL FROM ANDEAN GROUP

PY182336 Paris AFP in Spanish 2131 GMT 17 Dec 84

[Text] Lima, 17 Dec (AFP) -- Ecuadoran Industry Minister Javier Neira today said that Ecuador has proposed that the Andean Group enter a transitional stage because the integration mechanisms have not worked as planned and the 15 years of the group's existence have been frustrating.

He added that his country believes that it is necessary to make profound changes in the institutional instruments of the Mandate of Cartagena.

Answering questions from reporters about the possibility of Ecuador withdrawing from the Andean Group, Neira said that it is a remote possibility. However, he added that Ecuador may consider this possibility if its proposals are not studied by the other member countries (Bolivia, Colombia, Peru, and Venezuela).

It should be recalled that a few weeks ago at the beginning of a discussion to change a protocol of the treaty that created the Andean Group, Ecuador left the meeting of the Cartagena Mandate commission because it did not agree with the way the issue was being debated.

Neira pointed out that Ecuador has no intention of withdrawing from the pact, but that the member countries should recognize that they all are responsible for a series of mistakes that affect the integration process.

He said: We believe that the efforts made by some countries to impose conditions for studying the process are unjust. He did not say what countries he meant.

This is why, he added, it is necessary to change course and correct mistakes.

The Ecuadoran minister said that inter-Andean trade is the sector most affected by the current situation because no progress has been made since the creation of the Cartagena Mandate and that this is the sector that must be improved.

Neira, who arrived here tonight to attend the ceremony to create the Andean peso, said that the creation of this monetary unit will be a very valuable instrument for trade among the countries in the region.

The ceremony will be held in Government Palace and will be attended by President Fernando Belaunde and the integration ministers of the five member countries.

ENVOY TO UN DENIES BORDER DISPUTE WITH ECUADOR

PY191211 Lima Cadena Panamericana Television in Spanish 0200 GMT 19 Dec 84

[Text] At the United Nations today, Peru denied a statement by U.S. Ambassador Jeane Kirkpatrick on an alleged Peruvian-Ecuadoran border problem. However, the Ecuadoran delegate said that his country is trying to find an honorable solution.

The U.S. Ambassador spoke during the debate on a proposal to summon an international peace conference for Palestine. Kirkpatrick said that the proposal lacked merit because she did not believe that nations with border problems would support a conference dealing with their own conflicts. Among the nations with this type of problem are Peru and Ecuador, she said.

The Peruvian alternate representative replied that this reference to Peru and Ecuador was inaccurate and surprising, because Peru has no disputes with any of its five neighbors. The border dispute with Ecuador was resolved through an international agreement signed more than 40 years ago and guaranteed by friendly countries, including the U.S. Government, he remarked.

For his part, Ecuadoran Ambassador Miguel Albornoz said that there is a border dispute with Peru. He recalled that Ecuadoran Foreign Minister Edgar Teran has said at the United Nations that Ecuador has the same rights that all other Amazonian countries have and that it expects a fair and honorable resolution to the alleged dispute.

SENATE PRESIDENT ON SHINING PATH EXPANSION

PY200150 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 20 Dec 84

[Excerpts] Manual Ulloa, the present president of the Peruvian Senate and vice presidential candidate in the upcoming Peruvian presidential elections, is visiting Argentina. We interviewed him on this and other issues.

[Begin recording] [Unidentified reporter] To a certain extent, we can say that Argentina has been touched by the activities of Shining Path, particularly in Tucuman Province. This is an interesting issue because of its impact at the international and domestic level, in addition to its nefarious actions in Ayacucho and throughout Peru.

[Ulloa] I believe that, like drug trafficking, this phenomenon has its own modus operandi and this is one of the issues we have discussed at the conference. Their modus operandi is based on expansion which forces (?all countries) to be affected by this problem. There are some countries that are experiencing its actions more directly and harshly, like Peru, Bolivia, and Colombia. But Venezuela, Brazil, Argentina, and Ecuador are already beginning to feel the effects of this problem which has unfortunately [word indistinct].

[Reporter] What do you know about the activities that Shining Path has carried out in Tucuman?

[Ulloa] Well, I believe that reports in this regard are well known. There are Shining Path cells that are being established in almost every country in the area to make Shining Path a movement throughout the continent that bases its actions on terror and brutality. [end recording]

ACCORD REACHED WITH PARAGUAY ON AIRLINE FLIGHTS

PY190139 Paris AFP in Spanish 2322 GMT 18 Dec 84

[Text] Punta del Este, 18 Dec (AFP) -- The foreign ministers of Paraguay and Uruguay, Carlos Saldivar and Carlos Maeso, respectively, have reached an initial agreement on the resumption of commercial flights between Asuncion and Montevideo, severed some time ago due to a disagreement between the state airlines of the two countries. It has been revealed that the bases agreed upon will have to be studied by the Paraguayan Airlines [LAP] and the Uruguayan National Airlines [PLUNA], the two involved companies. The disagreements between these two airlines emerged a few months ago when they differred on the attraction of passengers for trips to Europe.

MORE POLITICAL PRISONERS TO BE RELEASED 'SOON'

PY191753 Montevideo Radio El Espectador Network in Spanish 1600 GMT 19 Dec 84

[Text] Army Commander in Chief Lieutenant General Hugo Medina today stated that more political prisoners will soon be released from a maximum-security Army prison. Although Medina declined to indicate the exact number of prisoners who will be released, he said that it will be a significant number. Asked when the release will take place, Medina did not specify any exact date, but said it will be soon.

The military chief provided this information at the end of a ceremony held at the El Buceo Cemetery to mark the 10th anniversary of the murder in Paris of Uruguayan Colonel Ramon (Travel), who was serving as Uruguayan military attache in the French capital city. According to political sources, 100 of the 500 political prisoners who are still in prison could be released.

UNIONS RECOVER HEADQUARTERS AFTER 11 YEARS

PY132133 Paris AFP in Spanish 1350 GMT 13 Dec 84

[Text] Montevideo, 13 Dec (AFP) -- The National Convention of Workers (CNT), the labor organization dissolved by the military Government of Uruguay in 1973, in the last few hours recovered its headquarters after 11 years of government intervention. The representatives of the Bank Workers Union received the keys of the building that were in the hands of the Interior Ministry. The CNT, which is currently part of the country's largest labor organization, the Plenum of Inter-Union Workers (PIT), will celebrate this event next Friday, 14 December.

The CNT was dissolved after the military coup replaced the Congress on 27 June 1973. At that time the CNT declared a general strike that lasted 15 days. The military government then decided to dissolve it by occupying its headquarters and arresting approximately 100 union members.

COLORADO PARTY SECRETARY GENERAL APPOINTED

PY191412 Montevideo Radio Carve Network in Spanish 0000 GMT 17 Dec 84

[Summary] Enrique Tarigo was unanimously elected secretary general of the Colorado Party to replace Julio Maria Sanguinetti, who resigned 15 days ago.

DE LA MADRID CONGRATULATES BELIZE'S ESQUIVEL

FL191426 Mexico City NOTIMEX in Spanish 2315 GMT 18 Dec 84

[Text] Mexico City, 18 Dec (NOTIMEX) -- Mexican President Miguel de la Madrid today sent a congratulatory message to Manuel Esquivel, the new prime minister of Belize, on the occasion of his recent electoral victory. The message stated: It is a pleasure for me to express to you, in the name of the people and the Government of Mexico, our cordial congratulations for your victory in the 14 December elections and your designation as prime minister of Belize. De la Madrid added: As I express to you the intention of my government to continue improving and expanding the excellent relations of friendship and cooperation between Mexico and Belize, I earnestly wish you success during your administration and hope for the well-being of the Belizian people.

DE LA MADRID FORESEES ECONOMIC RECOVERY IN 1985

FL200224 Mexico City NOTIMEX in Spanish 2137 GMT 19 Dec 84

[Text] Mexico City, 19 Dec (NOTIMEX) -- Mexican President Miguel de la Madrid today asked Mexican journalists to continue to have confidence during 1985, in which year, he said, there will be gradual but firm economic recovery. During a meeting with the presidential press corps, the Mexican chief executive said that the rate of economic growth will increase and new sources of jobs will be established in 1985. He added that the government does not want to precipitate a recovery without having an adequate base to maintain it because of the risk of an economic relapse. He said Mexico has had a difficult time over the past few years, but stressed the fact that the people have responded with exemplary maturity and with a rebirth of confidence in themselves. Miguel de la Madrid said the crisis has shown that Mexico is a stronger nation than many had believed, not only as regards its governmental institutions but in every aspect. He thanked the journalists for their cooperation over the past year and acknowledged their role as intermediaries between newsworthy events and Mexican public opinion, which insists on being better and better informed. He explained that the government and the media have a shared responsibility, adding that he will continue to fulfill his obligation of reporting to the people on the nation's problems. Manuel Alonso Munoz, presidential director of social communications, told the president that the nation's journalists are the president's best allies in the communications media because they accompany him every day and are permanent witnesses of his efforts.

LABASTIDA ON U.S., CANADA, SAUDI ARABIA, KUWAIT TOUR

FL191316 Mexico City NOTIMEX in Spanish 0036 GMT 19 Dec 84

[Text] Mexico City, 18 Dec (NOTIMEX) -- The Secretariat of Energy, Mines, and Parastate Industry has announced that the Governments of the United States, Canada, Saudi Arabia, and Kuwait have agreed with Mexico to maintain the international balance in the level of production and price of energy products. The statement said that after presenting his report to President Miguel de la Madrid, Energy, Mines, and Parastate Industry Secretary Francisco Labastida Ochoa will announce the accomplishments of a Mexican delegation that toured those countries. The report stated that during the tour, delegation members held talks with the Governments of the United States, Canada, Saudi Arabia, and Kuwait. They obtained favorable results, that will permit them to mediate international production levels and prices. In the discussion with U.S. Energy Department officials, it was agreed to hold periodic meetings on energy-saving measures, while problems in the use of hydrocarbons were discussed with Canadian ministry officials. Meanwhile, in Saudi Arabia, Minister of Petroleum and Natural Resources Ahmad Zaki Yamani agreed with the Mexican secreatary's proposal to defend the price of petroleum on the international market. In Kuwait, as in the other nations, several matters were discussed, particularly production quotas, differential prices, and the future of the world oil market.

COSTA RICA

PVP LEADERS CONDEMN 'BETRAYAL' BY OTHER LEFTISTS

PA172225 San Jose LA REPUBLICA in Spanish 5 Dec 84 p 3

[Text] Top-ranking leaders of the Popular Vanguard Party [PVP] said during a press conference at the Legislative Assembly that "the attempt to take over the United People Coalition was an act of absolute betrayal by the Costa Rican Socialist Party [PSC] and the New Republic Movement [MNR] against those who were their allies and the thousands of citizens who voted for the coalition as such."

"Everyone realizes that there are important differences among the parties that make up the United Coalition People but this does not give anyone the right to take action without the knowledge of the others in an attempt to appropriate the fruits of the work and activities of many citizens, including many members of the PVP and followers of Dr Rodrigo Gutierrez," who is the president of that coalition, according to Humberto Vargas Carbonnel, PVP secretary general, and Arnoldo Ferreto, PVP president.

The two leaders expressed the opinion that the decision of the other two parties to register the coalition without the participation of the PVP goes against the people's interests, since it runs contrary to the search for unity repeatedly proclaimed by those parties. They said that the parties should remain united and struggle together against the common enemy, "the national oligarchy and the imperialists," in order to guarantee the people's rights, but that this unity must respect the difference that necessarily emerge among the organizations. The PVP leaders expressed certainty that the "most advanced" sectors of the Costa Rican people will repudiate the divisionist attitudes and reject any offer that is not backed by actions.

PVP Declaration

PA200027 San Jose LIBERTAD REVOLUCIONARIA in Spanish 7-13 Dec 84 p 4

[Text] Due to the fact that the PSC and the Workers Party (New Republic Movement), former Peoples Revolutionary Movement, took the path of divisionism and decided to attempt to register the United People Coalition under their name, the Popular Vanguard Party thinks it is necessary, in addition to opposing the action through the resources established by law, to declare the following:

1. We feel that this action goes against the people's interests, because it is a blow to the intentions of unity repeatedly expressed by our party and other popular organizations.

The PVP feels that the unity of the popular forces should come without prior exceptions, based on a common government program. This program will have to be the result of a sincere, open, and brotherly discussion among representatives of the forces and parties interested in producing changes in the socioeconomic structures in the country for the benefit of the workers and all of the people and in defending peace and national sovereignty.

The PVP Central Committee has made a call to this effect and has stated a few points that could serve as a basis of the discussion.

2. The attempt to take over the United People Coalition is an absolutely disloyal action with regard to those of us who were not only allies of the MNR but also with regard to Dr Rodrigo Gutierrez and many thousands of citizens who voted for the coalition without belonging to any of the allied parties.

Everyone knows that there are important differences between the parties that formed the United People Coalition, but this does not give anyone the right to act behind others' backs and try to take over the fruits of the labor and activities of many citizens, among them thousands of militants of the Popular Vanguard Party and followers of Dr Rodrigo Gutierrez.

3. Actions such as those carried out by the PSC and the MNR serve only the enemies of the people, those who want to keep the people divided in order to exploit them and to surrender our main sources of wealth and our sovereignty to the imperialists.

We feel that the people of Costa Rica have a main enemy: the bloc formed by the national oligarchy and the imperialists, and consequently, although there are important differences among the forces and popular parties, they should unite to face this common enemy.

We must fight together against the impositions of the IMF, which only serve the foreign monopolies and the millionaires while making the great majority of Costa Ricans poorer, including the medium-sized and small businessmen. Together we can struggle for a true neutrality in our country that will make our people a factor of peace, and we can help to save Central America from the war which President Reagan's warmongering policies are leading us toward. Together we can struggle to solve the main social problems suffered by the workers, the peasants, and all of the country's poor.

These great aims can be converted into a common government program, and the program in turn would be an element capable of bringing together the workers and all of the people in the struggle for justice, democracy, and peace.

4. The Popular Vanguard Party ratifies its policy of unity of all popular forces, without exception. This unity would have to respect the differences that necessarily exist among the organizations, but it would emphasize the elements that allow unity in a common effort to serve the Costa Rican people.

We are sure that the most advanced and conscientious sectors of our people will reject the attempts to divide the parties, and they will reject any hypocritical offer of unity that is not guaranteed by actions.

BRIEFS

TRADE WITH CENTRAL AMERICA -- Costa Rica's balance of trade with Central America is in surplus, according to September statistics. Costa Rica exported $133.1 million and imported $92.9 million in the first 9 months of the year. Its trade with Guatemala registered a surplus of $10.2 million; with El Salvador of $8.6 million, and with Honduras of $24.4 million. Meanwhile, Nicaragua owes Costa Rica $195 million for trade and sale of electrical energy. [Summary] [San Jose PRENSA LIBRE in Spanish 10 Dec 84 p 2 PA]

COFFEE RUST OUTBREAKS -- Oscar Fonseca, Costa Rica's deputy minister of agriculture and livestock, has reported that his ministry has received several reports of coffee rust outbreaks in various parts of the country. The last of these was of a farm in Atenas, located behind the cooperative coffee processing plant there, he indicated, adding that it is difficult to provide exact information on the location and magnitude of the outbreaks because these are spread across various parts of the country. Ministry technicians immediately began spraying operations to combat the problem, he noted. [Summary] [San Jose Radio Reloj in Spanish 1200 GMT 18 Dec 84 PA]

SWEDISH AID FOR REFUGEES -- The Swedish Ecumenical Action group representing several religious groups in Sweden has channeled approximately $400,000 for development projects and humanitarian assistance for refugees into this country during 1984. The organization operates in Central America, and is headquartered in Costa Rica based on an agreement signed between the Costa Rican Government and Swedish Prime Minister Olof Palme during his visit here last February. This agency works in coordination with the National Commission for Refugees (CONAPARE). [Summary] [San Jose LA REPUBLICA in Spanish 6 Dec 84 p 3 PA]

EL SALVADOR

GOVERNMENT ISSUES COMMUNIQUE ON FMLN-FDR TALKS

PA200129 Paris AFP in Spanish 2253 GMT 19 Dec 84

[Text] San Salvador, 19 Dec (AFP) -- The Salvadoran Government is waiting for "greater demonstrations of sincerity" from those up in arms to continue the dialogue and achieve national peace. This statement was included in a communique issued by the presidential press office. The communique mentions a statement by the FMLN-FDR which was recently broadcast by a rebel clandestine radio station.

In that statement the rebels reiterated their decision to continue the talks with the government that began on 15 October and which, according to the presidential press office, is "not a very convincing" statement.

The guerrilla radio station stated that, during the second round of talks held with the government in the town of Ayagualo on 30 November, the FMLN-FDR experienced "a complex and difficult situation" because of "President Jose Napoleon Duarte's hasty decision not to accept the rebel proposal to discuss the existence of two armies in the country, which he described as 'unconstitutional.'"

The rebels believe that this situation "is contrary to former instances when Duarte admitted, in many ways, the existence of a revolutionary army as a basic truth."

The government said today that such "a statement cannot and must not go unnoticed and must be publicly denounced."

By admitting that in the mountains "there are guerrillas, terrorists, and criminals who hide to commit crimes for the sake of a mistaken conception" does not mean that institutions or groups that do not meet the requirements established in the country's Constitution "can be considered legal."

The government communique adds that President Duarte has reiterated his decision to achieve an effective peace formula, but "he would never adopt an attitude contrary to the Constitution."

In conclusion, the communique adds that President Duarte has reiterated his decision to achieve an effective peace formula, but "he would never adopt an attitude contrary to the Constitution."

In conclusion, the communique criticizes the FMLN-FDR, recalling that at the meeting held in Ayagualo "they initially rejected an end to violence as proposed by the Catholic Church and which the government immediately accepted."

"They promised only not to attack civilians or private vehicles using the highways during the Christmas and New Year's holidays, and it was later that they accepted, with reservations, a limited truce during those holidays," the communique adds.

DUARTE EXPLAINS PARTIAL VETO OF ELECTORAL LAW

PA192305 San Salvador Domestic Service in Spanish 0200 GMT 19 Dec 84

[Address to the nation by President Jose Napoleon Duarte on 18 December; place not given -- live]

[Text] Good evening Salvadoran people. Tonight, I am here to inform you, as president of the Republic, about the decision I have made regarding the approval of the Electoral Law. This is to help the country as it approaches the upcoming elections for mayors and deputies.

I have carefully and individually studied each of the articles contained in the law and have found only two cases with which I disagree. I believe that the rest of the law is correct and acceptable and could serve as a good and valid instrument in conducting the elections for mayors and deputies. For this reason I have approved the Electoral Law.

However, I must point out that this law includes two concepts that work against the democratic process. These are the two concepts that I have vetoed. I vetoed Article 69 that establishes conditions for those aspiring to be mayors and members of the municipal councils contrary to the spirit of open participation that must exist for all Salvadorans to have a right to participate and for the people to freely choose their rulers.

The other article I vetoed was the one that stated that all political parties may vote for their own preferences and then add up the votes. That is, a coalition in which no one really votes for a party and this results in confusion for the Salvadoran people who believed they were voting for their party but were really voting for a coalition.

I feel that these are the two main aspects that had to be brought to the attention of the Salvadoran people in order to defend the country's democratic process and in this manner prevent actions which are against this democratic process.

I have here Volume 285, Number 236, of the Official Gazette of 18 December 1984 in which the decree approving the Electoral Law is published. We now have a law; we can hold elections; and the Central Electoral Council has received its orders to proceed with the electoral process.

Using my constitutional rights, I have vetoed letter E of Article 69 and I also vetoed letters C and Ch of Articles 74 and 75, the second paragraph of Article 77, and the second paragraph of Article 192. These are the Articles I have vetoed.

I once again wish to repeat the reasons for the veto and I will read the document I have sent to the National Legislative Assembly. The document reads as follows:

The reasons used by the executive branch to veto the mentioned articles were based on:

Letter E of Article 69 has been vetoed because I do not believe that the citizens should be deprived of their right to run for public office if the Constitution does not explicitly outline exclusions. The creation of secondary laws that will deprive certain people of their rights to run for office affects the citizens who qualify as voters and who are not allowed to vote for those whom they feel could fill a certain public office. Such a measure is against the democratic principles that grant equal rights for all to achieve power through elections.

The people must have the right to choose their leaders without restrictions, without tricks, and without manipulation. We must avoid the establishment of a system of illegal repression that, as all Salvadorans realize, is a system that many tried to implement in the country during the 50 years of dictatorship. Remember that this is one of the causes for the phenomenon of destabilization and violence in the country.

Remember what happened in 1972; remember what happened in 1977; and they tried again in 1982 when after the elections had concluded and after the Christian Democratic Party had won these elections, two parties joined their votes, their deputies, and attempted to impose themselves from the Legislative Assembly. This is antidemocratic.

It is for this reason that I have vetoed these two articles so that there will be no instrument to destabilize the democratic process.

I have approved the Electoral Law. Now no one will be able to say that the country will be destablized because there is no electoral law and because there are no elections. Now elections can be held and there is no reason not to hold elections. However, I will never allow any abuse of this system to be used as means of repression, no legal means, will be used to impose on the people things that are against their will. This will be my task. This is why I am the president of the Republic and I am going to exercise my constitutional right to stop those people, who using some sectors of power, may want to impose themselves on the people.

I believe that the logical and sensible way is for the people to decide and this is why we have elections. There can be no restrictions because with restrictions you weaken the democratic process. Today they may do this, tomorrow they may do something else, and continue to use legal situations to prevent the people from freely making their own decisions.

As president of the Republic I must defend this right of the people and I will do it. For this reason I have approved the Electoral Law and have vetoed those articles to defend the rights of the people of self-determination. Salvadoran people, today, I invite you to prepare to hold elections; free and pure elections during which you will decide who the mayor of the people will be. You will also be the ones to choose the deputies who will handle the affairs of the state from the Legislative Assembly.

Thank you and good night.

Opposition on Partial Veto

PA200212 Panama City ACAN in Spanish 0039 GMT 20 Dec 84

[Text] San Salvador, 19 Dec (ACAN-EFE) -- The Salvadoran opposition parties stated today that President Jose Napoleon Duarte "has not vetoed the Electoral Law," as was announced. The leaders of the most important rightist parties told the press that according to the Constitution the president of the Republic may sanction, veto, or return a bill to the Legislative Assembly.

In that sense, Major Roberto D'Aubuisson, secretary general of the rightest Nationalist Republican Alliance (ARENA), said that President Duarte "had done nothing" regarding the bill of the Electoral Law approved by the Legislative Assembly because the Constitution "does not mention a partial veto." According to D'Aubuisson, President Duarte partially vetoed certain articles of the Electoral Law "abusing his rights or because he was badly advised."

The Salvadoran president partially vetoed the permanent Electoral Law that will direct the legislative and municipal elections scheduled for 17 March 1985.

Among the articles vetoed by Duarte is Article 69, which states that relatives, to the fourth degree of consanguinity, of the president of the republic cannot be candidates to the office of mayor or deputy.

The leaders of the rightist parties ARENA, Salvadoran Authentic Institutional Party (PAISA), and the National Conciliation Party (PCN) said that they have joined forces to proceed according to the legal mechanisms established in the Constitution and that they are waiting for President Duarte's answer regarding the bill of the Electoral Law.

According to Raul Molina, PCN secretary general, and Roberto Escobar Garcia, PAISA secretary general, the deadline for Duarte to sanction, veto, or return the bill expires today. If the president does not completely veto the bill it will be considered completely sanctioned as approved by the Legislative Assembly, because President Duarte and Vice President Rodolfo Antonio Castillo signed the bill and added only that it should be made public," with the exception of certain articles."

Maj D'Aubuisson said that for the bill to be vetoed it had to be returned to the Assembly and not sent to be published, as was done. The politicians who oppose the government said that they will act legally and within the rights the Constitution grants the Legislative Assembly.

CATHOLIC MOVEMENT MESSAGE TO LEFTIST PRIESTS

PA192307 San Salvador EL DIARIO DE HOY in Spanish 17 Dec 84 p 53

[Advertisement by the Catholic Traditional Movement]

[Text] It is very painful for the Catholic people to have to make this criticism of high-ranking church leaders, but in view of the fact that the future of our religion and homeland are at stake, we, as Salvadorans aware of our responsibility as citizens and with a positive desire to search for the truth and the welfare of this suffering people, can no longer remain silent, passive, and aghast in the face of repeated interventions in matters of state, aside from their blatantly leftist political participation in open support of the murderers and terrorists of the FMLN-FDR.

Although it is already past history, it is necessary to recall that during the 70's small groups of "progressive" priests were formed and backed by the archbishopric and led ideologically by the Jesuits of the Central American University [UCA], who prompted the assassinated Monsignor Romero to the sad and well-known demagoguery that has led to a confrontation among Salvadorans, promoted hate among the classes, and led to the destruction of the economic, political, and social structures of our country.

The truth is that the "progressive" priests, probably encouraged by a utopic idealism, fell into an enormous communist trap. While they harangued the people from their pulpits, schools, and universities, blaming the problems of misery and injustice on the marked unequal distribution of wealth and on the oppression of the "oligarchy," the communists infiltrated into the church their propaganda machinery of ideological and military warfare. The poisonous fruit that this bore was the most advanced theory of Marxist-Leninist communism, sponsored here in El Salvador by J.I. Ellacuria with his well-known "liberation theology." Thank God, Pope John Paul II has publicly and repeatedly condemned this theology.

Based on these facts and on the truth, we can say the following: By supporting "communist progressive Catholicism" they are betraying Jesus Christ, because in distorting the gospel and the eloquent and sincere words of his holiness the pope, they are responsible for confusing believers and nonbelievers who then become accessories to terrorism, to the destruction of our homeland, and to the thousands of murders committed in the name of justice and which have never had the blessings of the Legal Assistance Office.

They are responsible for the formation of a "popular church," which is nothing more than a subversive and dividing appendage of the holy Catholic Church and which has also been condemned by the pope.

They are also accessories to the communist plot that is attempting to discredit and destroy the last bastion standing and the only one that can still stop the Marxist advance: the Armed Forces. When heroes and martyrs fall in defense of freedom and democracy, we do not hear angry protests or bells tolling in the defense of human rights of the most noble defenders of the Salvadoran people.

They and the international pressures placed on Mr Duarte, added to his own ideological and party interests are responsible for forcing the country into a sterile dialogue and into a negotiation with the subversives, even to the point of breaking and violating our Constitution and the traditional laws of man and Christian civilization. It is intolerable and extremely dangerous for the country's stability that a small group of clergymen, who have wandered from their real pastoral duties, push our homeland toward a humiliating surrender of our values: God, justice, freedom, and our legal and constitutional rights. As of now, we oppose a continuation of this communist farce of a dialogue for peace. We do not want the peace of a cemetery or that of the Sandino-communist concentration camps. We desire true peace, which can only be achieved with dignity and by defeating the enemy that is attacking our homeland.

They, with their sermons, are to blame for sowing hate among classes. Instead of trying to change the course of the human heart toward good and charity, they are promoting jealousy, hatred, and arrogance to subvert and destroy our already poor structures, just as the communists diabolically do.

They are responsible for tolerating the Marxist-Leninist indoctrination at the UCA and some Catholic schools that, unfortunately, continue to operate as communist subversive centers.

It is necessary for this problem to be eliminated from its roots and for all the intellectual leaders of communism, who corrupt and prostitute the spiritual development of our homeland, to be tried and expelled from the country.

They are responsible for pressuring the high military command through the use of "courses on humanizing the conflict and on human rights." This effective psychological barrage, in conjunction with their godchildren's prolonged people's war, has achieved a socializing ideological infiltration that has reached the shameful degree of trying to cover up the true facts that caused the death of glorious martyrs and national heroes. These men were in effect struggling against communism with sincereity, patriotism, and courage: Colonels Monterrosa and Calisto; Majors Azmitia and Rivas; and the rest of the troops, including a priest and an altar boy. This priest and his altar boy were obviously not leftists, because the archbishopric's orchestrated groups had nothing whatsoever to say to defense of their human rights.

In conclusion, and the saddest part, they are responsible for the cooling and separation from the church of so many good Catholic souls. They sought in other religions what, by divine law, man has within him: love, not hate, for his brothers.

Archbishop Rivera y Damas and Auxiliary Bishop Rosas Chavez, as top leaders of Jesus Christ's Catholic Church which is one, holy, catholic, apostolic, and Roman, and on behalf of all the Salvadoran faithful, we respectfully ask you:

1. Remove yourselves from politics as has been ordered by his holiness the pope.

2. Do not seek worldly rewards or Nobel Prizes.

3. Exercise your real priestly duties, because if the shepards are corrupt what can be expected of the sheep?

4. Concern yourselves with teaching our people the values and virtues of Christianity to help them excel spiritually and temporally.

5. It is time to end, once and for all, the open relationship with the terrorist subversion, because you will be their most tempting victims. All you have to do is remember your predecessor.

6. Do not promote more farces of dialogue and negotiations for peace because you know that what the communists truly want is complete power. It you still doubt this just look at our closest example, Nicaragua, where Monsignor Obando y Bravo backed the Sandinists and now has to confront them.

[Signed] Roberto Corrales, Margarita Maria Zelaya, Jose R. Hernandez, Lilian Diaz Sol.

FMLN ON U.S. EFFORTS TO CORRUPT LABOR MOVEMENT

PA162250 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Dec 84

[Text] Attention workers, attention members of the cooperatives, a report on the Reagan Administration's plans to divide the labor and cooperative movement in El Salvador follows:

Everything has its price. This is one of the favorite phrases of the wealthy U.S. political leaders. With this pragmatic principle, the current U.S. Government led by the warmonger Ronald Reagan has drafted an ambitious plan to divide and corrupt the Salvadoran labor and cooperative movement.

The acute economic crisis that is hitting this country, which falls hardest upon the backs of the poor sectors, has created a general people's unrest. To this we must add that the false promise made by Jose Napoleon Duarte's government to the peasants has brought about frustration and created unrest even among the sectors that embraced some hope regarding Duarte's promises. The clearest expression of the people's unrest is the resurgence, despite the threats and attacks, of a vigorous union movement. Thousands and thousands of workers in private and state enterprises have unleashed an uninterrupted wave of labor strikes for over a year. Meanwhile, the peasant cooperative movement is demanding that the Duarte government fulfill its agrarian reform promises, which were made for election purposes.

However, Duarte's regime is totally incapable of resolving even a small part of the urgent needs of the popular sectors. In view of this, the U.S. government entrusted the experts of the AFL-CIO, the powerful U.S. union with a clear antipopular, pro-imperialist tendency, to draft and implement a plan to divide and corrupt, through the use of millions of dollars, the labor and cooperative movement in El Salvador thereby containing the increase in the people's struggle in our country.

Before going into the details of the plan and for the benefit of our people, we will speak briefly about the AFL-CIO. The AFL-CIO is the largest U.S. union [passage indistinct] Central Intelligence Agency, CIA, agents. The AFL-CIO experts who are sent to Latin American countries to help to develop a false, free unionism are nothing more than CIA agents trained in counterinsurgency plans. The role that the AFL-CIO has played in countries like Chile and Nicaragua has taught us as good lesson. In Chile, during the Popular Unity Government in the early 1970's AFL-CIO advisers designed and carried out plans to destabilize the democratic government of Salvador Allende. Currently in Nicaragua AFL-CIO advisers, acting through the Nicaraguan Workers Federation which is controlled by the reactionary sectors, want to internally destabilize the Sandinist people's revolution. In our country, the General Confederation of Workers is a pro-government organization that is an exact replica of the AFL-CIO.

The U.S. plan basically consists of buying and corrupting labor and peasant leaders. The advisers have designated an unlimited amount of money for achieving this purpose. With this as a basis, the Duarte government has been promoting a discriminatory policy against cooperatives that do not bend and accept his plans. All assistance is taken away from such agricultural cooperatives to economically drown them and make them disappear. The government's main objective in this field is to create a single national federation of agricultural cooperatives that would be composed of cooperatives with [words indistinct] or self-styled leaders functioning with U.S. plans as a basis. Men loyal to the Christian Democratic Party would be placed at the head of such a federation to be able to better manipulate it.

The North Americans are trying to implement the same plan within the labor movement. There is a plan aimed at dividing the Salvadoran Unified Trade Union Movement, MUSIGES. They are giving priority attention to this since MUSIGES comprises approximately 80,000 workers from various trade and labor unions and has been very active in the struggle for recovery. They are also trying to buy leaders of the United Conferdation of Salvadoran Workers, CUTS, and [word indistinct].

All this is being done to form a single labor union that would be docile to the plans of the Reagan administration and the Duarte government. In addition to this, the regime, always using U.S. dollars, is trying to form and control small cooperatives of artisans and shop workers from urban areas. They have already alloted a significant amount of money for this purpose.

The Democratic Popular Unity, UPD, has not been spared the U.S. strategy aimed at stopping the people's struggle. In view of the unpopular policies of Napoleon Duarte, most of the UPD sectors have strongly questioned Duarte's social pact and some UPD sectors have strongly criticized the ~~regime~~ for being demagogic and not fulfilling its promises.

Reacting to this, the U.S. Embassy and the PDC have been conspiring to destroy the UPD's unity and to make it disappear so that they may then use its remnants and other trade and labor unions to form a single federation of workers with progovernment tendencies. Once the UPD is destroyed, efforts would be made to reorganize it as a new political organization that would be presented as the social basis of the Duarte government. The plan's general idea is to create a social basis for the regime from the division of the cooperative and labor movements, and from the formation of small cooperatives of artisans and shop workers. All of this is to be bought with U.S. dollars.

Just like in the military field, the North Americans have designed a strategy based on the utilization of millions of dollars to suffocate and divide the labor and cooperative movements to stop the advance of the Salvadoran revolutionary process. The Reagan administration wants to solve the Army's military crisis with dollars. The Reagan administration has bought officers and military men of the puppet army with its money. The Reagan administration has bought out the Duartist government, including Napoleon Duarte himself. It is trying to use its money to divide the labor and cooperative movements. It wants to solve the dictatorship's contradictions with its money. It wants to use its dollars to buy El Salvador's national sovereignty. This is why the sabotage activities being carried out by the FMLN are legitimate because by sabotaging the war economy of the dictatorship, the FMLN is neutralizing and checking the millions of dollars being injected to divide the labor and cooperative movements, trample our sovereignty, and save an antipopular dictatorship.

The U.S. strategy combines millions of dollars with repression: dollars and repression. Bloody dollars are the basis for the Yankee strategy aimed at dividing and corrupting the Salvadoran people's movement. Dollars and repression are the Yankee formula to stop our revolutionary process. However, the reaction of a great majority of the labor and cooperative leaders has been to reject the U.S. plans because they realize that these plans go against the dignity and the interests of the workers. Labor and cooperative leaders have clearly envisaged the objectives of the United States, which wants to buy the people's support for a government that is the negation of the people's interests. The U.S. plan turns the interests of the workers into demagoguery. This is the case of the agrarian reform.

We urge labor unions and cooperatives to publicly denounce and accuse any corrupt leader who may try to sell out to the Yankees and betray the interests of the working class.

The U.S. dollars will never be able to buy the dignity of the workers!

The U.S. dollars will never be able to buy our sovereignty!

The U.S. dollars serve to buy only servile people like those of the high command of the puppet army and Napoleon Duarte!

Our national sovereignty and the sacred interests of the workers and the peasants are not for sale!

Viva the working class!

Viva the peasants!

GUATEMALA

FINANCE MINISTER REPORTS ON NEW IMF, IBRD LOANS

PA200146 Guatemala City Radio Television Guatemala in Spanish 0400 GMT 15 Dec 84

[Recorded passages within quotation marks]

[Text] Guatemalan Finance Minister Leonardo Figueroa Villate returned from Washington tonight after meeting for 5 days with officials of the IMF, the International Bank for Reconstruction and Development [IBRD], and other international financial institutions.

According to Figueroa Villate, he briefed those institutions on the workings of the parallel dollar market currently operating in our country.

At a press conference held in the airport's protocol room, the finance minister explained that the IMF has not yet [word indistinct] the disbursement it has to make in Guatemala, but that our country is still undergoing a process which the IMF labeled as one of adjustment. As expected, this stand-by situation will be resolved before the end of the year, the minister added.

The minister also said that the Monetary Board has authorized the issuance of bonds for up to 347 million quetzales, which does not mean that bonds for the entire amount will be issued. With regard to the fiscal deficit expected next year, the minister said that it could rise to 3.4 percent, adding that Treasury revenues are expected to reach 803 million quetzales. Figueroa Villate said that during his trip he obtained loans to build several hospitals and 100 health centers in Guatemala for a total cost of $45 million.

"With regard to the IDB, that institution invited me to discuss these two basic topics. One concerned a loan basically to build several hospitals and 100 health centers in the interior of the country. The loan was originally for $51 million, but we had to make an adjustment. The loan was approved to build three metropolitan hospitals. During the renegotiations we informed the IDB that the country needed these hospitals in the interior of the country instead. So instead of metropolitan hospitals we are going to build hospitals in Antigua Guatemala, Huehuetenango, El Quiche and Retalhuleu. In addition, 100 more health centers will be built. This revised program was submitted to the IDB loan committee on Tuesday. They approved a loan for $45 million, which is the expected cost of these hospitals and health centers. The door was left open to build more health centers in the interior of the country."

Figueroa Villate added that for the agricultural sector, particularly in order to increase the assets of the National Development Bank [Bandesa], another loan for $35 million will be granted.

"We also discussed a loan for Bandesa, and although the amount has not yet been determined, it will probably be for 35 million quetzales. A program team will be here from 21 to 23 January 1985, because the loan we had asked for earlier was given a different perspective; attention will be given to cooperatives as well as to certain types of farmers. We want Bandesa to be as effective as it can be so that the credit will reach the rural areas, and the farmers can take full advantage of it."

The IDB will lend us $70 million and has authorized another loan for $60 million to promote industrial reactivation. This loan is already being used, the finance minister added. "We asked the IDB for another loan amounting to $70 million for industrial reactivation. The original request was for $100 million, but due to requests from other countries the amount that will be available for Guatemala will be $70 million.

"I want to make it clear that the IDB has already authorized $60 million for industrial reactivation. This is the first loan granted, and private enterprise has made use of it already; that is, private enterprise has already used up more than 60 percent of that loan. Therefore, we are requesting a second loan for $60 million." [as heard] Moreover, the IBRD will lend us $29 million and will grant another loan for $18 million, with the participation of the Italian Government, to pay the debt contracted for the Chixoy hydroelectric project.

"At the IBRD we presented a request for a $29.9 million and another request for $60 million on behalf of the Guatemalan Government, so we are basically asking the IBRD to cofinance a loan with the Italian Government. We talked to them, and they offered to talk to the IBRD directors, from 21 to 31 January, about a loan for $29.9 million. We have received the authorization from the Italian Government for a $720 million [as heard] loan which will basically be used to pay our debts on the Chixoy project."

At the end of his long press conference, Figueroa Villate reported that none of the institutions with which he talked so much as hinted that they would pressure Guatemala to impose more taxes.

"What we are concerned about here in Guatemala are the tax reform measures and the fiscal [words indistinct], but as far as any tax measures are concerned, we did not discuss this issue with the IMF or with any other international financial institution."

FOREIGN MINISTER ON BELIZEAN ISSUE, ELECTIONS

PA191826 Guatemala City PRENSA LIBRE in Spanish 18 Dec 84 p 2

[Text] Guatemalan Foreign Minister Fernando Andrade Diaz-Duran announced yesterday that Guatemala will agree on a new round of talks with the United Kingdom as soon as possible to continue discussing the Belize issue. He made this remark after he learned about the result of the Friday's elections in Belize in which the opposition, led by Manuel Esquivel, won.

The minister said that he had no comments to make on the elections results. However, he noted that he is making a careful and objective analysis of the situation so that, in time, statements deemed pertinent can be made.

He said: Guatemala will continue to be open to a dialogue. It reiterates this once more and, through diplomatic channels, we will try to establish, through the government of her British majesty, a new round of talks with delegates of the Belizean Government as soon as possible, just as in the past.

Asked if there could be a rapprochement between the Guatemalan Government and the next Belizean prime minister, Manuel Esquivel, he said "Guatemala has a realistic and reasonable attitude. We are seeking to find an agreement that takes into consideration the interests of all parties involved, permits an honorable and dignified solution, and solves this problem once and for all.

Asked about the possibility of U.S. pressures so that Guatemala will not continue to claim any rights over Belize, Andrade said that "our country will not accept any pressures on this matter."

He said: We have been clear on this matter. Guatemala will not accept any pressure from any government. The Belizean problem concerns the Guatemalans and we have held talks with the United Kingdom. We don't have to accept any foreign interference in a matter that only concerns us directly. In any case I can categorically say that the Guatemalan Government has not been put under any pressure. The reports circulating on this matter are just mere speculations.

HONDURAS

ECONOMY SECRETARY ON TRADE IMPASSE WITH GUATEMALA

PA192028 Tegucigalpa Televisora Hondurena in Spanish 0130 GMT 18 Dec 84

[By Mario Calix]

[Text] Since April, Honduras has exported less than 30 million lempiras of goods to Guatemala. The impasse with Guatemala has greatly hurt the Honduran economy. This situation has forced the appropriate secretariat to search for a solution that will safeguard our interests and national dignity. According to Economy Secretary Miguel Orellana Maldonado, some positive results were achieved in Guatemala City at the meetings held by the directors of trade integration last week. However, everything hinges on whether Honduras can levy tariff charges in addition to those included in the bilateral agreement.

[Begin recording] Well, I was talking about two conditions. The first was to eliminate the preferential tariffs that we had given Guatemala for certain products in the bilateral agreement. The second was to create a new surcharge to promote fair competition here in Honduras. We understand that it is very difficult for Guatemala to give preferential treatment to our exports with regards to payment policies. Guatemala has already made trade agreements with Costa Rica and El Salvador, so any preferential treatment given to Honduras would also have to be granted to those countries.

Since our currency has remained stable with relation to the dollar, we are at a great disadvantage pricewise. We do not want surcharges that will place our products at a disadvantage in our country. The Economy Secretariat together with the Treasury Secretariat and the Honduran Central Bank are looking into ways to give incentives to our exports in that market, but a plan has not yet been worked out. [end recording]

The products that we were unable to sell in Guatemala due to the present situation were sold on the domestic market since the main competitor for our national products is in fact the neighboring country. Economic experts are studying the impact that the closing of the Guatemalan market has had.

BRIEFS

INCREASE IN GOVERNMENT REVENUES -- Tegucigalpa -- According to the Central Bank of Honduras, government revenues up to November registered a 23 percent increase in contrast to figures over the past 3 years when there was a virtual standstill despite fiscal reforms in the latter part of 1981 and mid 1982. Taxes brought about the increased revenues; import taxes registered the highest increase at 33 percent and export taxes increased by 10 percent compared to a 15 percent drop last year. [Summary] [San Pedro Sula LA PRENSA in Spanish 11 Dec 84 p 10 PA]

NICARAGUA

LA PRENSA FILES SUIT PROTESTING CENSORSHIP

PA200233 Buenos Aires LATIN in Spanish 0025 GMT 20 Dec 84

[Text] Managua, 20 Dec (LATIN-REUTER) -- Today, opposition newspaper LA PRENSA filed a lawsuit requesting that the government cease its censorship of the newspaper, the result of the state of emergency declared 2 years ago.

Violeta Barrios de Chamorro, president of the newspaper's board of directors filed the suit in a Managua court.

Nicaragua's press has been subject to prior censorship since the government declared a state of emergency in March 1982, when the attacks by U.S. supported guerrillas increased.

Last week President-elect Daniel Ortega said that "the day the United States withdraws its mercenaries, the state of emergency and the few restrictions that exist will be lifted."

Joaquin Chamorro, chief editor of LA PRENSA, said last weekend in San Jose, Costa Rica, that he will not return to Nicaragua until the censorship is lifted. LA PRENSA, which played an important role in the toppling of right-wing dictator Anastasio Somoza became one of the strongest critics of the Sandinist government. On several occasions it has been forced to temporarily cease publication due to censorship.

AUXILIARY BISHOP CRITICIZES LIBERATION THEOLOGY

PA181849 Managua LA PRENSA in Spanish 16 Dec 84 pp 1, 10

[Text] Msgr Bosco Vivas, auxiliary bishop of the Managua archdiocese, has stated that "liberation theology does not naively offer Latin America to Marxism on a silver platter." Msgr Vivas, who is also secretary of the Nicaraguan Episcopal Conference made up of 10 bishops, said that this theology "interprets the liberation of man as a class struggle."

The Managua auxiliary bishop said that the priests and clergymen who defend the "liberation theology" are "loyal followers of the Marxist doctrine and ignore the Church's teachings and the hierarchy."

"They are always loyal to their parties and their political leaders," the bishop said in statements to the liberal weekly PASO A PASO. He added that the Catholic Church condemns the use of violence to resolve social injustices.

Msgr Bosco Vivas said that "the liberation of Christ frees us from sin and preaches that true freedom will come in the next life. In this life, Marxism only builds a wordly society."

The religious leader commented on Culture Minister Father Ernesto Cardenal's statement that "Christians must embrace Marxism to be with God and men." The bishop stressed that the liberation theology has had its victories in Nicaragua "due to the imposition of Marxism on the government."

Msgr Vivas said that this theology affects the Catholic Church in theory and in practice because "it constitutes a danger for the Christian faith because it is materialistic and atheist."

He added that although Pope John Paul II is "a person who has deeply studied Marxism and has lived through the conflicts in his fatherland, Poland, he has spoken against the liberation theology." The bishop indicated that nevertheless, the church cannot accuse the liberation theology of "heresy" because it contains words of the church that are truths, although in a mixed up manner which is what affects faith.

Vivas stated that this theology has been practiced in Nicaragua, although not in an organized manner, since before 19 July 1979, the day when the Anastasio Somoza government was overthrown.

Some clergymen practice the preferential option for the poor with the "tactic" of emphasizing political matters and disregarding the bishops' pastoral, the bishop said. Bosco Vivas indicated that these priests oppose the existence of statues of saints in their churches and are not interested in the sacraments of the church, such as baptism and matrimony.

BUSINESS SAID TO JOIN ANTI-SANDINIST EFFORT

PA140355 Managua Radio Sandino in Spanish 1830 GMT 13 Dec 84

[Commentary by Eligio Alvarez Montalban: "Private Enterprise in the Hemisphere Joins Intervention Against Nicaragua"]

[Text] According to a dispatch yesterday from the Spanish news agency EFE, the so-called Inter-American Commerce and Production Council asked the OAS and the Contadora Group foreign ministers to do something to force the Nicaraguan Government to stop its repression of the social and commercial sectors.

As part of the so-called free world, free market, and free enterprise, -- in other words, as representatives of the big sharks of commerce and production at regional and international levels, whose concept of freedom runs along the line of exploitation, and whose most genuine and typical example is the United States -- the Inter-American Commerce and Production Council has now joined the imperialist gang. We could not expect anything else from this so-called Council than to ask the OAS, an organization which no longer has any prestige, to intervene in Nicaragua. Probably it based its petition on the principles of the Inter-American Reciprocal Assistance Treaty, TIAR, which did not do anything to prevent Great Britain's aggression against Argentina during the most unfortunate Malvinas war.

Not satisfied with submitting the matter to the OAS, the Council has also submitted it to the Contadora Group without realizing that the Contadora Group is trying to solve the Central American crisis through a negotiated and peaceful agreement, without any form of intervention. The Inter-American Commerce and Production Council seems to have forgotten that one of the fundamental principles of the once functional OAS is precisely the principle of nonintervention, which is the legal and political basis of self-determination of the peoples and nations.

The argument presented by the members of the Inter-American Commerce and Production Council is the same one used by the Reagan administration and the CIA to launch a criminal attack against Nicaragua, which has been going on for 4 years and which has the approval of the Nicaraguan sharks of private and free enterprise. These are the same people that for 45 years supported the Somozist tyranny and took advantage of the situation to exploit the people. We now have a genuine people's government, the Sandinist government, and the members of the council of private enterprse are not only complaining and yelling to the blue sky, they are also engaged in an open and surreptitious plots that are affecting the majority of the Nicaraguan people. They do not want to accept the fact that the FSLN, vanguard of the Nicaraguan people, won the people's approval in free and honest elections. This is a fact that the members of private enterprises of the continent wish to ignore so they can carry out their interventionist plans in compliance with the orders of Mr Reagan and his clique.

CASTRO, HART ATTEND CLOSE OF FILM FESTIVAL

FL191210 Havana Domestic Service in Spanish 1100 GMT 19 Dec 84

[Excerpt] Commander in Chief Fidel Castro, first party secretary and president of the Councils of State and Ministers, attended last night's closing of the sixth international new Latin America film festival, which was held for 11 days in Havana. Also attending the closing meeting were Minister of Culture Armando Hart, Politburo member, and Vice Minister of Culture Julio Garcia Espinoza.

UN'S PEREZ DE CUELLAR MEETS VICE MINISTER ALARCON

FL191204 Havana Domestic Service in Spanish 1100 GMT 19 Dec 84

[Text] UN Secretary General Javier Perez de Cuellar has met with Cuba's Vice Foreign Minister Ricardo Alarcon at the United Nations to discuss the world situation. During the talks, which were held in a friendly atmopshere, the two officials examined the principal international problems, including the situation in Central America and South Africa.

ZAMBIAN DELEGATION ARRIVES ON OFFICIAL VISIT

FL200010 Havana Domestic Service in Spanish 2230 GMT 19 Dec 84

[Text] An official delegation from the Republic of Zambia headed by O. Musuka, minister of state for foreign affairs, has arrived in Cuba and was received at Jose Marti International Airport by Giraldo Mazola, vice minister of foreign relations. This delegation is visiting Cuba to study matters of work and exchange of personnel.

Ministers Discuss Namibia

FL192100 Havana Domestic Service in Spanish 1900 GMT 19 Dec 84

[Text] Minister of Foreign Relations Isidoro Malmierca and Zambian Minister of State for Foreign Affairs O. Musuka have held official conversations at the Ministry of Foreign Relations, Havana. During the meeting, matters related to the African national liberation struggle, especially Namibian independence and the fight against apartheid, were discussed.

COMMENTARY VIEWS U.S. PRESENCE IN HONDURAS

PA160158 Havana International Service in Spanish 2310 GMT 14 Dec 84

["Our America" commentary]

[Text] The U.S. Armed Forces will continue war maneuvers in Honduras, which the U.S. Pentagon has turned into a great military base in Central America. Honduran President Roberto Suazo Cordova affirmed that U.S. and Honduran troops will continue military exercises, which will enable Honduras to fulfill its role to safeguard its internal order and repel any external aggression. The chief of state's statements were made in Comayagua which is the site of the Palmerola Air Base, seat of the U.S. Armed Forces General Command stationed in Honduras, whose permanent number includes 2,000 troops.

For nearly 2 years, the Pentagon has been using Honduran territory to carry out war maneuvers in the Central American region and prepare an eventual armed intervention against Nicaragua and El Salvador. At present, Salvadoran, Honduran, and U.S. troops are engaged in the third phase of the naval war exercises known as the "King's Guard" in the Gulf of Fonseca, near the Nicaraguan Pacific coast.

The maneuvers include the blocking of maritime routes in the Gulf, whose sovereignty is shared by Nicaragua, El Salvador, and Honduras. These actions include Salvadoran troops from La Union port in the Gulf of Fonseca where there are members of the U.S. Navy known as Seals, who are the equivalent of the Green Berets or special U.S. Army troops. The Seals and Green Berets participated in the military invasion of Grenada last year.

On 17 December, marking the end of the third phase of "King's Guard", the U.S. and Honduran Governments will begin negotiations in Tegucigalpa to revitalize and expand the joint military treaty, signed in 1954, used by Washington to extend the presence of the Pentagon in Central America.

The chief of the Honduran Armed Forces, General Walter Lopez, has already stated that Honduras will not request the withdrawal of U.S. troops, whose presence in that Central American country depends only on the government of President Ronald Reagan, as recognized by the ranking Honduran officer.

It is precisely that position which permits the U.S. government to continue using Honduran territory as a permanent base for the U.S. Armed Forces imperialistic, aggressive plans against the peoples of the region. The Reagan government has used the 1954 treaty to carry out permanent war maneuvers and to deploy its forces in Central America. In fact, according to that treaty, the U.S. Armed Forces stationed in Honduras now enjoy the rank of diplomats.

A few days ago the minister of the presidency of Honduras, Hubodoro Arriaga, declared that the United States could also train Latin American armies at the regional military training center operating in Puerto Castilla, on the Honduran Atlantic coast, under the command of the U.S. Green Berets.

PRELA CORRESPONDENT ON CARDENAL, MISKITO TALKS

PA192024 Havana International Service in Spanish 1800 GMT 18 Dec 84

[Report by Francisco Irizarri, PRELA correspondent in Managua -- recorded]

[Text] Last week Nicaraguans' attention centered on the separation of Fernando Cardenal, priest and education minister, from the Jesuit order. Parishioners and analysts feel that this measure is an allout attack by the Vatican and the Nicaraguan church hierarchy against the Sandinist people's revolution.

After this fact became known and after Cardenal issued his categorical response reiterating his option for the people and their revolution, this outstanding educator received hundreds of messages of support from inside and outside the country. Father Cardenal, who fought against the Somozist dictatorship, placed on his shoulders the burden of the literacy campaign, the leading social effort of the revolution, which made it possible to reduce illiteracy in only 6 months from over 50 percent existing at that time to only 13 percent. He then became coordinator of the 19 July Sandinist Youth and is currently education minister.

Much importance was given this week in Nicaragua to the creation of a national autonomy commission that will draw up the bill on Indian minorities, which will be submitted to the National Assembly following its installation on 9 January.

Importance was also attached to the talks held by the Sandinist government with Miskito leaders in Bogota. Commander Luis Carrion, deputy interior minister and member of the Sandinist National Directorate, and a high-level delegation met with Miskitos, Sumus, Ramas Sandinist Unity [Misurasata] leader Brooklyn Rivera for the purpose of holding talks to achieve peace on the Atlantic region and autonomy within the context of national [word indistinct].

The Nicaraguan Government set a cease-fire in the area as a premise to take steps toward autonomy, which cannot be regarded as separation from the country. The interior minister has released a summary of casualties inflicted on the counterrevolutionaries during the first 15 days of December. The total was 374, of which 278 were dead and 96 wounded.

The weekly [word indistinct] was characterized by a continuation of the counterrevolutionary terrorism which, as the Sandinist government has charged, is a policy designed by the U.S. Central Intelligence Agency to sow terror and to prevent the harvesting of coffee, which is the leading foreign exchange earner. Notwithstanding the general U.S. offensive against Nicaragua, during these last 7 days the military and political power of the Sandinist revolution has grown and the people have worked hard in view of the difficult economic situation in which the Somozist dictatorship and the U.S. aggression have maintained this country.

FDR'S UNGO SPEAKS ON U.S. POLICIES IN EL SALVADOR

FL181844 Havana Domestic Service in Spanish 1700 GMT 18 Dec 84

[Report by Juan Franciso Alvarez, PRELA correspondent in Mexico City]

[Text] Guillermo Ungo, president of El Salvador's Revolutionary Democratic Front [FDR], has said in Mexico City that Jose Napoleon Duarte's regime does not have the political will to bring peace to this Central American country.

The Salvadoran guerrilla leader said: We fundamentally believe that solutions to El Salvador's problems are being decided in Washington. What is definite is that the Ronald Reagan administration is in this, said Ungo on commenting on recently made statements by the Vatican on Central America.

Ungo emphasized that it was time for Pope John Paul II to take a concrete position on Central America, because he has thought more about Poland, where assassinations, repressions, and massive human rights violations are not taking place everyday as they are in Central America. He said that although the pope had already made several positive statements on El Salvador, on the dialogue and negotiations, we revolutionaries believe that our problem basically lies in Washington and not at the Vatican.

On U.S. intervention in El Salvador, Ungo said the Reagan administration has not undergone any changes with the reelection, and could be characterized as being hard, inflexible, dogmatic, and warmongering. He exemplified this with U.S. plans to destabilize the labor union and cooperative movements in El Salvador.

On the Contadora Group, Ungo said that it now finds itself in its most difficult and definitive period. He said that is one of the issues we will try to investigate. He added that he would try to meet with Foreign Secretary Bernardo Sepulveda here and that he will be meeting several times with the FMLN's political-diplomatic committee, which is based in Mexico City.

EXPATRIOTS ORGANIZE TO HELP ANTI-SANDINISTS

PA191631 Havana International Service in Spanish 0000 GMT 18 Dec 84

[Text] Hubert Matos, counterrevolutionary chieftain of Cuban origin, has told the U.S. newspaper THE NEW YORK TIMES in a telephone interview that he has begun organizing a permanent detachment of stateless Cubans to fight alongside the anti-Sandinist mercenaries in an effort to overthrow the Nicaraguan Government.

Matos, who returned to the United States after a 6-week visit to the Nicaraguan Democratic Force based in Honduras, added that the mercenary unit will be initially composed of 50 members who are U.S. Army veterans. The mercenary chieftain of Cuban origin added during the interview that he will meet again with the Nicaraguan counter-revolutionaries as soon as he ends a trip through the United States to collect funds.

CTC LEADER VEIGA ON ECONOMIC PROFITABILITY

FL191334 Havana Domestic Service in Spanish 1145 GMT 19 Dec 84

[Text] The course and seminar on ideological work in the labor movement closed yesterday afternoon in Havana presided over by Antonio Perez Herrero, alternative Politburo member and member of the party's Secretariat.

The closing speech was made by Roberto Veiga, alternate Politburo member and secretary general of the Central Organization of Cuban Trade Unions [CTC].

Veiga said at the event: The moral factors of our revolution will always continue to be of importance. These factors are what make us invulnerable to bourgeois ideology, which allows us to overcome problems, and to contribute our efforts and solutions to the economic problems which affect us.

In his speech, Veiga emphasized that the economic education of the workers over the years had played an important part in the labor movement, but that it was necessary to increase this education, and that it was now an urgent necessity. This was stressed in recent statements by Comrade Fidel at the closing event of the first national forum on energy. Veiga said that in the unions and their workers' present struggle for saving, for greater economic efficiency, increasing quality, development and diversification of exports, recuperation and production of spare parts, and substitution of national products for imported products, especially those from capitalist countries, agitation and propaganda work helped considerably.

He stressed that socialist competition could not be had without propaganda, and that the labor movement will celebrate the third party congress with significant achievements in the fight for enterprise profitability and advances in services, in which the model status movement plays a major role.

GARCIA FRIAS CALLS FOR FEWER TRAFFIC ACCIDENTS

FL200038 Havana Domestic Service in Spanish 2230 GMT 19 Dec 84

[Text] The struggle against traffic accidents requires the participation of the entire people, not only that of the police, and, in the same fashion that we struggle fiercely to reduce the death rate of children, we must have the goal of reducing the number of accidents on the roads and highways. These words were spoken by Commander of the Revolution Guillermo Garcia Frias, Politburo member and president of the National Traffic Commission, at the annual meeting of this commission, which is made up of representatives of state organizations and provincial traffic commissions.

January-November Statistics

FL191954 Havana Domestic Service in Spanish 1800 GMT 19 Dec 84

[Text] From January to November 1984 there have been 16,709 traffic accidents in Cuba. There were 1,344 persons killed in these accidents, which is a 15 percent increase over the 1983 figure. The national transit committee is currently holding its annual meeting, and studying this critical situation. At the meeting serious measures will be adopted to decrease the number of accidents in 1985.

BLANCO DISCUSSES IMF ACCORD ON DEBT PAYMENT

FL181922 Santo Domingo LISTIN DIARIO in Spanish 12 Dec 84 p 1

[By Tulio Navarrete]

[Excerpt] President Salvador Jorge Blanco announced yesterday the possibility of the government signing a new accord with the IMF before the end of the year for the payment of the foreign debt.

The head of state spoke about that possibility as he answered journalists' questions when interviewed yesterday morning at the National Palace. Journalists asked Jorge Blanco about the views of Dr Jose Francisco Pena Gomez, Dominican Revolutionary Party (PRD) leader and commissioner [sindico] for the National District, that the signing of an accord with the IMF should not be postponed until after year's end.

Dominican authorities have been holding discussions with the IMF for several weeks about a standby accord to renegotiate foreign debt.

Jorge Blanco said yesterday that, in his opinion, Pena Gomez' suggestion is a good realistic one.

The head of state said the authorities are talking with the IMF in an effort to ahcieve an agreement. He said: We are studying proposed formulas and holding discussions and we hope to make progress soon.

When he was asked if the accord would be signed this year, Jorge Blanco answered: Yes, we are in December, there are 20 days before the month ends and many things can be done in 20 days.

Archbishop's Comments

FL191635 Santo Domingo Radio Mil Network in Spanish 1000 GMT 19 Dec 84

[Excerpt] Santo Domingo's archbishop late yesterday asked President Jorge Blanco to adopt measures aimed at checking the negative effects the IMF accords could have on the people. Monsignor Nicolas de Jesus Lopez Rodriguez said it is possible for the government to adopt measures which will make less painful (?the accords) which will be signed with the world financing organ.

MAJLUTA COMMENTS ON 1986 GENERAL ELECTIONS

FL182043 Santo Domingo LISTIN DIARIO in Spanish 12 Dec 84 p 1

[By Octavio Mata Vargas]

[Excerpt] Jacobo Majluta yesterday said the 1986 general elections will be decided between Dr Joaquin Balaguer and himself. The legislator and Dominican Revolutionary Party leader said he is not afraid of any possible political parties' alliance favoring the Reformist Party leader. Majluta made these comments when journalists pointed out to him the Democratic Quisqueyan Party president's decision of forming a political alliance with Dr Balaguer.

CTRC ISSUES REPORT ON REGIONAL TOURISM

FL190254 Bridgetown CANA in English 2108 GMT 18 Dec 84

[By Irvine Reid]

[Text] Bridgetown, Barbados, Dec 18, CANA -- The Caribbean Tourism Research and Development Centre (CTRC) said today that tourist arrivals in its 29 member-countries are expected to increase by four per cent this year. The largest increases have been recorded by the Caribbean Community (Caricom) countries, which seem likely to show an increase of nine per cent in tourist arrivals in 1984 over 1983, CTRC said in its statistical news.

CTRC said this percentage increase is smaller than the 12 per cent recorded in 1983 over 1982. This is mainly because the growth in arrivals in Jamica this year is likely to be much lower than the very large rise of 21 per cent recorded in the previous year.

The 29-member organisation said that a number of countries have recorded large hikes in tourist arrivals in 1984 compared with 1983. Antigua and Barbuda and St Lucia reported increases of 26 per cent and 15 per cent respectively in the period January to October. Increases of about 10 per cent have been reported by Aruba (January to October), Barbados (to September), Cayman Islands (to October), Montserrat (to September), compared with the same periods a year earlier. The CTRC report said that a major exception to this trend has been Bermuda, which experienced a seven per cent decline in tourist arrivals in the first 10 months of this year.

It said that most countries in the Caribbean for which information is available have recorded substantial increases in arrivals of U.S. tourists during 1984.

In the first 10 months of 1984, Aruba and Antigua and Barbuda recorded rises of 70 per cent and 38 per cent respectively, compared with the same period a year earlier; and Barbados and St Lucia recorded increases of about 20 per cent. Exceptionally, both Bermuda and St Vincent and the Grenadines recorded falls.

The CTRC report said the Canadian market improved in most countries in the Caribbean. Antigua and Barbuda, Barbados, St Lucia, and St Kitts and Nevis, among others, have done particularly well. Canadian tourist arrivals in the Caribbean, which fell from 487,000 in 1979 to 407,000 in 1983, now appear to be on an upward trend.

The European market continues to be weak, and the share of European tourists in total arrivals in the Caribbean has continued to decline. Curacao was particularly affected by a 28 per cent fall in tourist arrivals from the Netherlands in January to July compared with the same period a year earlier. Nevertheless, Antigua and Barbuda and Aruba have reported increases of more than 10 per cent in European tourist arrivals in the first 10 months of 1984.

The agency said figures on the average length of stay of tourists is an important statistic and, coupled with figures on total tourist arrivals, it provides a better indicator of the volume of tourism than tourist arrivals on their own. Because of differences in definition, the figures on average length of stay are not completely comparable between countries, but they suggest little change in average length of stay during the first nine months of 1984. However, average length of stay in Martinique seems to have decreased in 1984. In Barbados, average length of stay was lower in the first half of this year compared with a year earlier, but in the third quarter it was little changed, CTRC said.

BARBADOS

HIGHER 1984 SUGAR EXPORTS, EARNINGS REPORTED

FL192330 Bridgetown CANA in English 2156 GMT 19 Dec 84

[By Edmond Bradshaw]

[Text] Bridgetown, Barbados, Dec 19, CANA -- Barbados exported nearly 18,000 tonnes more sugar this year than in 1983, and foreign exchange earnings from the sector rose by 9.3 million dollars (one Bds dollar; 50 cents U.S.), high industry sources said today. The 1984 sales abroad -- mainly to the United Kingdom and the United States -- netted 64 million dollars, compared with 54.7 million dollars last year. The UK bought 73,925 tonnes for the equivalent of 52.3 million dollars and the U.S. took 5,800 tonnes of sugar along with molasses which together earned 11.6 million dollars. Total sugar exports this year amounted to 79,725 tonnes -- up from the 62,146 tonnes of 1983.

The increased foreign exchange revenue from the 1984 harvest was directly due to a rise in production, the sources said. The 1984 crop produced 97,681.579 tonnes of sugar, compared to the 82,768.924 tonnes of last year. Sugar is Barbados' chief agricultural export and is third to tourism and manufacturing as a foreign exchange earner.

The Barbados Government has put a price support scheme in place to aid the financially troubled sector, hampered by low production and poor market prices. Two previous issues of government sugar bonds, the first for 17 million dollars to support the 1982 crop and the other for 10 million for 1983, were each oversubscribed in less than a day, and it is expected that another issue will be made before year end. Funds from the bond issues are used to make up the difference between what the industry actually earns in its domestic and foreign sales and the support price declared by government, which was 925 dollars per tonne of sugar in 1982 and 875 dollars per tonne in 1983. That difference has so far amounted to about 125 dollars per tonne.

JAMAICA

JAMAICAN DOLLAR FALLS AFTER 20 PERCENT RECOVERY

FL192000 Bridgetown CANA in English 1945 GMT 19 Dec 84

[Text] Kingston, Jamaica, Dec 19, CANA -- The Jamaican dollar has dipped against the U.S. dollar again, plunging to the low from which it made a dramatic recovery two weeks ago. The U.S. dollar is today worth J4.81 dollars when bought by commercial banks, and four cents more when selling. These rates are 25 cents higher than the J4.60 dollars that prevailed until yesterday's Central Bank parity fixing auction. They will be in force until the next auction Tuesday. The Jamaican dollar had declined to this level earlier, but two weeks ago it dramatically gained 20 per cent under a revised auction system that caused financial analysts to raise questions about the integrity of the mechanism. Since then it has been falling again.

CONSTRUCTION INDUSTRY AFFECTED BY POOR ECONOMY

FL192026 Bridgetown CANA in English 1955 GMT 19 Dec 84

[Text] Kingston, Jamaica, Dec 19, CANA -- This year was a bad one for the construction industry, and the minister with responsibility for the sector, Bruce Golding, expects the trend to continue next year.

It is being affected by economic conditions here, especially the drastic devaluation of the Jamaican dollar over the past year, Golding said in a speech here.

Construction faltered badly here during the latter 1970's as private sector building halted during the regime of former Prime Minister Michael Manley. But the sector was forecast by the Edward Seaga government to be a major future growth area and source of significant employment under its economic recovery programme. From a decline of over 28 per cent in 1980, construction grew by 15 per cent in 1982, but with the economic difficulties setting in last year the pace slowed to 3.4 per cent. Golding said that he was expecting negative growth this year, and little expansion was likely in 1985.

A major reason for the problem in the sector is the freeze on government house building programmes as part of a general cut in spending by the Seaga government. Of the 26 housing projects started this year by the Construction Ministry, 21 were shut down for a lack of money, Golding said. The devaluations in the local dollar that has pushed up construction costs -- there is a 50 per cent import content in building -- has also slowed down private sector activity as have high interest rates here. Golding said that it was virtually impossible for developers to borrow at 22 per cent to build homes which would be outside the reach of the average consumer.

SPAULDING LINKS CRIME VIOLENCE TO CUBANS

FL191814 Kingston THE DAILY GLEANER 13 Dec 84 pp 1,3

[Text] A sinister network, using crime and violence to attain political objectives, was described to Parliament yesterday by the Minister of National Security and Justice, the Hon Winston Spaulding. In a major presentation on the crime situation, the Minister said, however, that the security forces with the help of the people, can deal with the problem. He said Cabinet had approved the setting-up of a non-partisan Advisory Council on Criminal Justice, and he called names from the People's National Party and the communist Workers Party of Jamaica (WPJ), who he said were linked with terrorist gunmen.

Mr Spaulding was speaking on a resolution to extend the special provisions under the Suppression of Crime (Special Provisions) Act for a further period of 180 days from December 16 to June 13, 1985, The resolution was approved without debate. Mr Spaulding spoke of new evidence linking gangs of gunmen, supported and protected by people who he said are members of the PNP and the WPJ. He charged that key organizers and promoters of the violence had connections with Cuba, and there was a systematic campaign to kill members of the Jamaican police. He listed 12 cases where the deaths of Jamaican policemen had been traced to the organized attempt at what he said was the undermining of order and development of the nation.

Mr Splauding, however, gave the assurance to Parliament that the Government was in control of the situation and there was no intention of "instituting a state of emergency." He said there had been an increase of 28 percent in crimes of violence in 1984, compared to 1983 but "while it is established that violence generally, and political violence in particular, are not particular to any one group, belief, party or cause, we know now beyond any doubt that there is a sinsiter movement amongst us that is using crime and violence as a means of achieving political objectives."

Mr Spaulding spoke of a chain of evidence, including a raid on a Stony Hill house belonging to Enoch Blake, attorney-at-law, and member of the PNP's Executive, in which the premises were proven to be a haven for notorious gunmen involved in the killing of policemen, and other criminal activities in certain residential areas of St Andrew's.

The Minister said he based his charges on evidence that resulted from the recovery of stolen goods, including four submachine guns which had been stolen from the security forces in 1976; intelligence information from arrested gunmen and others, and the discovery of literature giving instructions for attacking the security forces, and cases where public utilities had been sabotaged. He made a further link between "the organized attempt to disrupt the society and financial aid from the drug trade and external support, specifically Cuba."

"This is the only movement which has clearly established links with external support.. the Cuban connection is the only such connection which the security forces have established between organized political violence and external elements." Mr Spaulding said the significant factor was that while this group was not unique in its involvement in the ganja trade, it was the only organized link with ganja as a basis for funding violent criminal activity. Further, the network was linked with powerful ganja and cocaine figures.

There has been, he said, a systematic pattern of attacks on policemen linking back to organized attempts to disrupt the society. There was evidence of organized plans by political groups to rob such institutions as banks or drive-ins, and to spread panic by carrying crime to "bourgeois" neighbourhoods. These groups, he said, had been responsible for the introduction into the criminal scene in Jamaica of high-powered weapons.

Mr Spaulding said: "It would be foolish and dangerous to pretend that these things never happened or do not exist. There is a point beyond which -- whether PNP or JLP -- to avoid facing painful facts about a few persons whom the society has nurtured, cannot be sustained." He said "those who flirt with violence in an adolescent idolatry of revolutionary politics should know two things; We are aware of what is going on, and there is no future in it."

Mr Spaulding linked the name of a key member of the WPJ in a million-dollar bank robbery in St Mary in December 1983. He said he was Howard McDonald who was sentenced to 15 years imprisonment.

Mr Spaulding said the core of violence was a group of gunmen who operated out of Wareika Hills and who are known to have political links with people in the top echelons of the WPJ and persons who have been active in the PNP.

It is important for the society to understand," he said "that some persons among us who appear to be law abiding citizens are responsible for wives, mothers, daughters being raped; husbands being shot; a neighbour's house being broken into and plundered."

These are some of the names mentioned by Minister Spaulding on the links between organized criminal gangs and certain political figures:

Enoch Blake, an attorney, active in the People's National Party, and owner of a house in Stony Hill which he said was used by Paul Burke, a key link in the connection with organized crime, to provide haven for Cuban-trained gunmen. One of them, Ricardo Allen, also known as 'Greek,' was killed in the house in a shootout with police, Mr Spaulding said.

Paul Burke, a principal co-ordinator between some of the most notorious gunmen and political groups, including the communist Workers Party. He was an organizer for the PNP, and was arrested in October 1981 in the Wareika Hills where he was found in possession of letters and tape recordings from Cuba by Jamaica's most wanted criminal, Anthony Brown, Mr Spaulding said.

Howard McDonald, an executive of the WPJ. He was a project officer for Project for the People Limited, a front organization which, according to Mr Spaulding, was used to attract militant youths who were then converted to criminal activities.

Mr Spaulding also spoke of eight policemen he said were systematically killed in the campaign of violence against the police. He listed:

Constable Albert Thompson, killed along with his girlfriend on January 4, 1984 by six gunmen. His service revolver was stolen and later recovered during a police raid on three well-known WPJ-PNP activists, Anthony Robinson (Jah T), Michael Muir (Occro) and Patrick Campbell (Bangles) in Arnett Gardens on March 7.

Constable Radcliffe of the Police Federation's Executive, killed, Mr Spaulding said, by the same network on January 12, 1984 in front of Enoch Blake's house.

Constable George Ferguson, killed on January 31, 1984 with the same M-16 which was later recovered from a gang member who was killed in a shootout with the police in June.

Constable Donald Gooden, whose body was found with hand and feet tied with wire on April 4, 1984. One of his killers was identified as Rowan Francis (Silver) who was himself later murdered.

Acting Corporal Arthur Crawford, killed by members of the same gang on July 3, 1984. The gun stolen from his body was recovered on October 20 after a shootout following the robbery and kidnapping at the Road Runner restaurant in New Kingston.

District Constable Clarence Edmondson of the Seaforth police station, St Thomas, murdered by a gang after repeated threats to his life. The weapon stolen from him was recovered from a gang member who was later shot dead by police.

Acting Corporal Williams, killed on September 30, 1984 on the instructions of the Wareika Hills gang by Devon Ritchie. Ritchie himself was killed and at his funeral, at which Paul Burke of the PNP was present, money was collected for the cause. According to Mr Spaulding, "while we were mourning A/Cpl Williams, they were celebrating his death."

Sgt Albert Baker of the Fletchers' Land police, ambushed and killed on October 13. His service revolver was later recovered from the body of Rohan Barnes, linked to the terrorist gang shooting at police, following a holdup attempt in Stony Hill at a bar which a policeman thwarted.

GUYANA

GUYMINE REPORTS INCREASE IN BAUXITE EXPORTS

FL182228 Bridgetown CANA in English 2153 GMT 18 Dec 84

[Text] Georgetown, Guyana, Dec 18, CANA -- Guyana's bauxite exports for the first ten months of this year were higher than shipments for the entire 1983, a spokesman for the state-owned Guyana Mining Enterprise (Guymine) reported today.

Exports up to the end of last October totalled 1.15 [million] tonnes, while Guyana shipped only 1.12 million tonnes for the whole of 1983, the spokesman said.

It is not clear whether there was an increase in revenue from bauxite shipments this year against sales for 1983.

Bauxite is Guyana's main source of foreign exchange. The other major hard currency earners are sugar and rice.

The bauxite industry has been going through a troubled period, largely because of falling demand overseas and lower export prices.

Guyana expects to produce 1.5 million tonnes of bauxite this year, and increase of nearly 500,000 tonnes on last year's output.

PANAMA

EDITORIAL PRAISES SHULTZ REMARKS TO CARDOZE

PA191729 Panama City CRITICA in Spanish 19 Dec 84 p 4

[Editorial: "Shultz' Statements"]

[Text] In the course of his pleasant meetings with Panamanian Foreign Minister Fernando Cardoze, U.S. Secretary of State George Shultz made statements that have lifted the morale of Panamanian businessmen and industrialists, whose spirits were at a low ebb as a result of the recent social disturbances.

The statements by the secretary of state, right hand to the President of the most powerful developed nation in the history of mankind, not only lifted businessmen's spirits, but are also important because they touched upon the democratization process begun a few years ago, which was reaffirmed in last May's actions. Shultz' words seem to convey his sincere desire to advance toward shared solutions to the recurring disagreements over the Panama Canal that arise between Panama and the United States -- which worked together to open a link between the world's two most traveled oceans -- particularly those pertaining to the mutual benefits that bilateral contracts should afford.

The prominent U.S. leader stressed that Panama and the United States must fulfill their obligations for the defense and operation of the canal. The reminder prompts us to respectfully point out that the best defense of the canal is a united nation that is not split on account of economic and social imbalances. Panama has been fortunate enough to progress in its just efforts to achieve peace at home and abroad because it practices what it preaches: In Panama there are no political prisoners, missing people, torture, exiles, or restrictions on civil liberties. All these benefits are guarantors of progress.